



FINAL ANNUAL REPORT

2017/18

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The Audit Committee take note of the audit findings on material non-compliance with specific matters in key legislation and advise management to implement the recommendations made by the Auditor-General in the 2018/19 financial year adequately.¹⁹²

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY



Cllr. LF Maloka
Executive Mayor: Lesedi Local Municipality

The municipality is continuing to embark on an effort to be performance and people centred as outlined in the vision of the municipality. In this regard the municipality will continue to roll-out programmes to embark on the roll out of the organization wide performance management. The programmes like the implementation of Customer Care Centre and the automation of complaints management system will take the interaction of the municipality with our stakeholders to a desirable level.

With another financial year having come to an end, it gives me a great pleasure to present a report that gives an account on our work through the year under reporting and to detail the service delivery progress as mandated by the Constitution of the Republic of South Africa and the relevant local government legislation.

This report is measure of our work that we set before ourselves as the municipality at the beginning of the financial year. Usually, at the beginning of each financial year we set for ourselves targets that we want to achieve in relation to our Integrated Development Plan and Budgets.

This we do so through the inputs of the members of the community during IDP Forums, Imbizo’s and Ward meetings, who are key partners in the developmental goals of our government, and therefore their voice becomes our guiding tool in the preparations of the plans and budgets at the beginning of each financial year.

We set targets and goals for ourselves with an intention of serving the community to the best of our abilities and with a political will and mandate to ensure that our communities are served better. Setting a high standard for ourselves is also a challenge in itself because we have to maintain and even surpass that standard.

In serving our communities, we have to be selfless, radical and unapologetic because of the hardships of years and years that our people have gone through. It is therefore incumbent upon us that having this chance of leading this municipality, we have to give confidence to our people that we are really the government of the people.

This annual report contains all our efforts in fulfilling the mandate of electorate and the demands of the back to basics approach.

At the same time, we also acknowledge our shortcomings in meeting some of the needs of our community and also interventions that we envisage to implement in order to address those deficiencies.

In the year under review the municipality has successfully delivered on 95% of the funded capital projects as indicated in the IDP, and with specific focus on less developed areas, such as Vischkuil/ Kwazenzele and Devon/ Impumelelo. Furthermore, plans of ensuring that the rural wards are becoming economically viable, are underway by establishing government service centres in areas such as, Kwazenzele and Impumelelo. We appreciate the collective efforts of Councillors, Mayoral Committee, officials, communities, government departments, private sector and community-based organisations.

All of us as the public representatives of this Municipal Council have expressed a political commitment to deliver the services and also unblock any bottlenecks that hampered service delivery.

In delivering the basic services to our communities, it has been paramount to us to ensure that our budgeting is aligned with our priorities, and also to ensure that we account on every little cent of the public money spent.

Our service delivery programmes have been designed to meet and carry out the priorities of the ANC's 2016 Local Government Manifesto:

- Building local economy to create more employment and sustainable livelihoods,
- Improving local public services and broaden access to them
- Building more united, non-racial, integrated and safer communities
- Promoting more active community participation in local government
- Ensuring more effective, accountable and clean local government that works together with national and provincial government.

Going into the future the municipality will prioritize the roll out of bulk infrastructure services projects to support the mega housing development like Kwazenzele Phase 2, Impumelelo Ext.3 & 4 and Obed Nkosi.

On the same breath the local economy needs to grow with the specific focus on job creation to alleviate unemployment especially on the youth sector of our population.

Therefore, going forward the municipality will also have to invest in the installation of bulk services to support local economic development. The automation of complaints management through the roll out of Customer Care Centre will boost the Residents Level of Satisfaction with service delivery. The programme like Mega Agri-Park through the assistance from the Gauteng Department of Economic Development will improve the level of access to markets by local agricultural entrepreneurs. This will not only provide for food security but will also address unemployment and poverty in the region.

In implementing the LED strategy, the municipality has forged partnership with companies such as TECINO to establish and develop the Lesedi Transit Hub, which consists of a number of projects that will be implemented throughout the municipality.

With regard to the drive for development of the ECD's, the municipality has taken a position to partner with Hollard Trust Foundation for universal access to quality early childhood development.

We have worked hard to ensure that we deliver basic services and that we carry other works such infrastructure projects, road maintenance, business development, public private partnership, sports and recreation, and many other programmes in collaboration with the provincial and national government.

Cllr. LF Maloka

Executive Mayor: Lesedi Local Municipality

MUNICIPAL MANAGER'S FOREWORD

The financial year 2017/18 was marked by a variety of achievements that we proud ourselves with as the municipality in an endeavour to provide service delivery to our communities with efficacy. The municipality has remained financially viable and maintained unqualified audit opinion with a reduction in matter of emphasis. Debt collection remains the focal point of our revenue generation and we have been able to close the year with a collection rate of 89.04% versus the billing. This is a shortfall by 1.6% when compared to our ambitious target of 90%, resulting in an overall net surplus of R161 761 439 for the financial year. We will continue ensuring that our municipality remains financially solid to assist the most vulnerable sectors of our communities that consist of indigent people, by providing necessary free basic services in the form of 6kl of water and 50kwh of electricity among other things. The number of indigents at 30 June 2018 were 5233. Most importantly through the implementation of the LED strategy the municipality is creating a conducive environment to lure appropriate investments which will eventually reduce the rate of employment in the area, thereby ensuring that poverty is drastically reduced.

In the past five years, the municipality was able to realise the fruition of some of the major plans, guided by implementation of the elements contained in studies such as Nodes and Corridor which resulted into developments within the Zone of Opportunity (Heidelberg X25) and Zone of Integration (Obed Nkosi Mega Housing Project). The construction of the Heidelberg Mall and other significant business entities became a reality whereby over 800 jobs were created. A Dutch/South African company in the form of Vopak-Reatile is in the process of constructing a Bulk Liquid Terminal in Jameson Park injecting about R1bn in the local economy. The developments at Jameson Park are unique within the inland and are beginning to redefine the economic landscape of our area, from just being a mere agricultural hub as it is currently perceived.

Key to the local economic development was the adoption and the implementation of the LED strategy and through this initiative the municipality attracted other investors such as TECINO, who are currently implementation a number of projects within the Lesedi Transit Hub programme.

This annual report will also demonstrate how the municipality is providing communities with access to basic services and show significant improvements in the lives of the residents of the Lesedi Local Municipality. The municipality will also insure that all stakeholders are consulted through our public participation initiatives, on all areas that affect the lives of the communities, since the input of the public remains key in building a developmental local government.

REVISED ANNUAL REPORT TEMPLATE

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

Chapter 2

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Lesedi Local Municipality can be described primarily as a rural area, the major urban concentration located in Heidelberg/Ratanda, which is situated along the N3 freeway at its intersection with Provincial Route R42, east of the Suikerbosrand Nature Reserve and also traversed by the R23 South-West of the Alice Glockner Nature reserve. Devon/Impumelelo, which is situated on the eastern edge of the Municipal area, abutting the N17 freeway on the north is a significant rural settlement, while Vischkuil/ Endicott east of Springs abutting Provincial Route R29 is a smaller rural centre

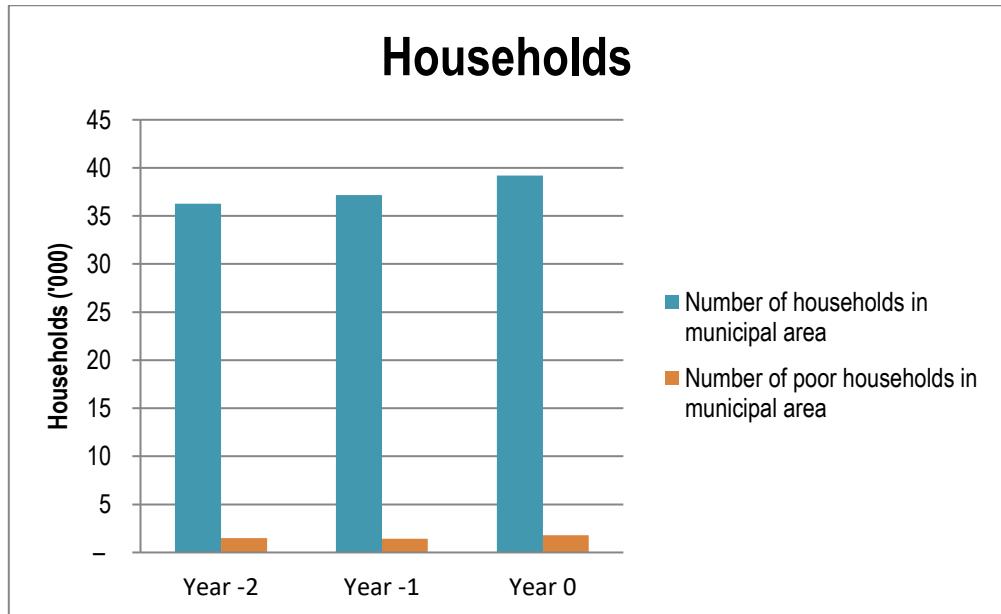
According to Statistic South Africa the population projection of Lesedi is estimated at 112 970, which reflects population increase of about 23 000 since 2007. Approximately 70.7% of the total population of Lesedi resided in the urban areas of Heidelberg / Ratanda and Devon / Impumelelo, while the rest 29.3% are categorised as rural areas

Age	Population Details									Population '000	
	2015/16			2016/2017			2017/18				
	Male	Female	Total	Male	Female	Total	Male	Female	Total		
Age: 0 - 4	6236	6361	12797	6236	6361	12797	5451	5457	11075		
Age: 5 - 9	4938	4438	9376	4938	4438	9376	5662	5460	11272		
Age: 10 - 19	8355	8066	16421	8355	8066	16421	8974	8661	17909		
Age: 20 - 29	13053	10003	23056	13053	10003	23056	9428	7959	17390		
Age: 30 - 39	9422	8649	18071	9422	8649	18071	10745	9195	20046		
Age: 40 - 49	7507	6365	13872	7507	6365	13872	7751	6835	14570		
Age: 50 - 59	4616	5642	10258	4616	5642	10258	5204	5390	10184		
Age: 60 - 69	2593	2795	5388	2593	2795	5388	3720	3667	7252		
Age: 70+	1572	2159	3731	1572	2159	3731	2197	2674	4587		

Source: Statistics SA
1.2.2

T

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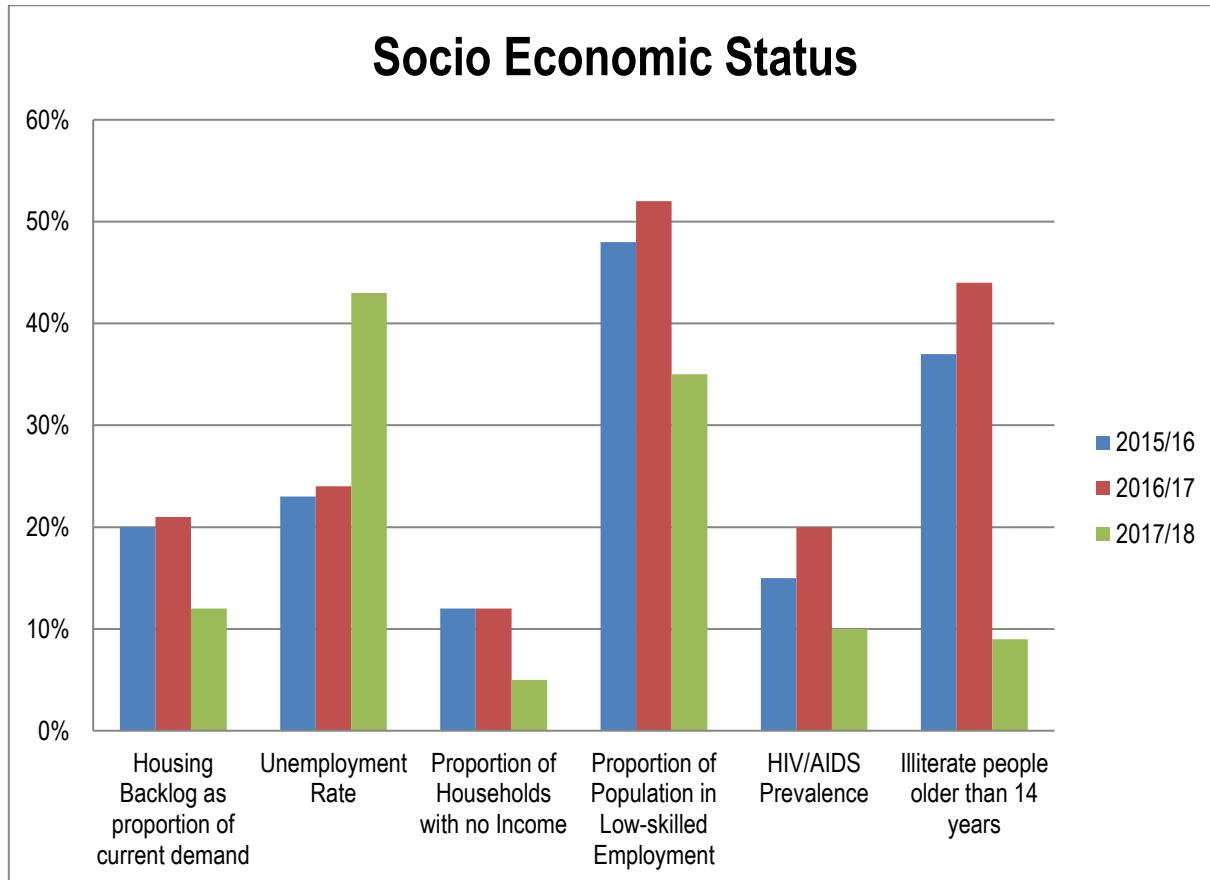


Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2015/16	20%	23%	12%	48%	15%	37%
2016/17	21%	24%	12%	52%	20%	44%
2017/18	12%	43%	5%	35%	10%	9%

Data supplied by:
Quantek

T 1.2.4

Chapter 2



From the above statistics, it is evident that there has been steady improvement in the lives of the Lesedi Local Municipality residents. With the interventions from various educational projects like Khari-Khude and ABET, there is a significant decline on persons who are illiterate.

Overview of Neighbourhoods within Lesedi		
Settlement Type	Households	Population
Towns		
Heidelberg	8285	23300
Devon	580	2300
Sub-Total	8865	25 600
Townships		

Chapter 2

Overview of Neighbourhoods within Lesedi		
Settlement Type	Households	Population
Ratanda	8662	46,489
Obed Nkosi	1742	3750
Heidelberg Ext 23 & 26	3249	14647
Impumelelo	2222	7269
Jameson Park	984	1761
Sub-Total	16 859	73 916
Rural settlements		
Vischuil and Endicott	708	983
Kwazenzele	287	1900
Surrounding Farms	630	1500
Sub-Total	1625	4383
Informal settlements		
Ratanda	2540	4101
Impumelelo	890	2700
Kwazenzele	745	2270
Sub-Total	4175	9071
Total	31 524	112970
		T 1.2.6

NB. Own Statistical Data

Natural Resources	
Major Natural Resource	Relevance to Community
Suikerbosrand Game Reserve	Heritage, Tourism and leisure.
Alice Glockner Game Reserve	Heritage, Tourism and leisure.
Blesbokspruit River	Water Resource
Suikerbosrand river	Water source
	T 1.2.7

Chapter 2

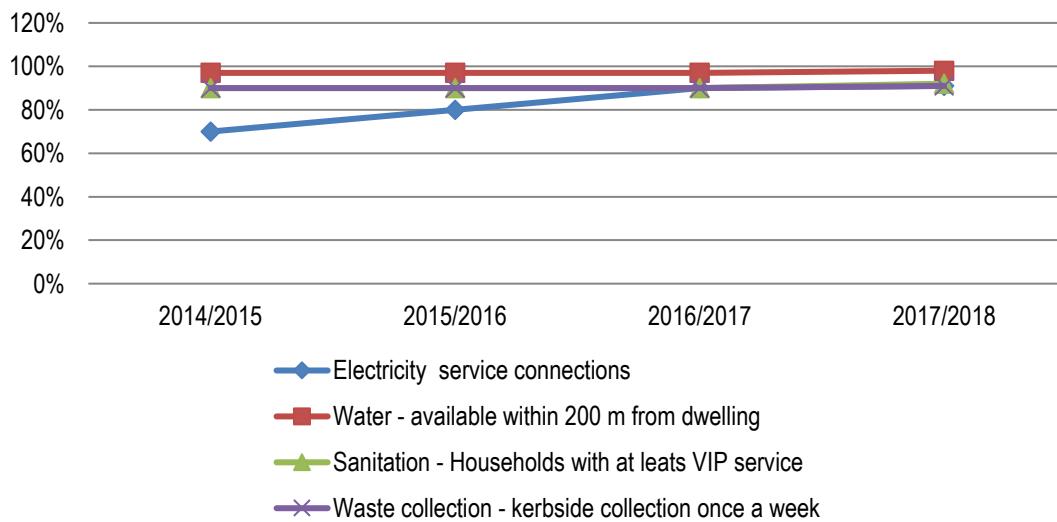
1.2. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Lesedi local Municipality is in a positive trend in terms of basic services provision to its residents, the services that are rendered are as follows: water, sanitation, refuse removal, electricity and roads & storm water. All registered indigents households receive free basic services in the form of water and electricity. All formalized houses on formalized stands have access to water; sewer, electricity connections and all informal houses have in a radius of 200m water. The municipality do not provide electricity to informal settlements. Informal settlements in Kwazenzele have VIP toilets 10 households use 2 VIP toilets. All indigents received 6 kl of water and 50 kWh electricity free. Mega Housing projects will assist in eradicating informal settlements in the area.

Proportion of Households with minimum level of Basic services				
	2014/2015	2015/2016	2016/2017	2017/2018
Electricity service connections	70%	80%	90%	91%
Water - available within 200 m from dwelling	97%	97%	97%	98%
Sanitation - Households with at least VIP service	90%	90%	90%	92%
Waste collection - kerbside collection once a week	90%	90%	90%	91%

Proportion of households with access to basic services



Chapter 2

COMMENT ON ACCESS TO BASIC SERVICES:

Though the Municipality strives to accelerate access to basic services for all the residents within its locality, the prevalence of informal settlement emanating from migration is still a challenge. People migrate from rural to urban areas in search of better life and humane conditions, movement of people from the neighbouring countries to the Republic of South Africa also exert pressure on the infrastructure and actual budgeting for provision of basic services.

1.3. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality realised a surplus of R161 761 439 for the financial year and this was mainly due to strict financial management in the municipality achieved by limiting expenditure to service delivery related items, strict budget control and the implementation of the credit control policy.

The municipality will continue to fully implement the policy and maintain sound and stable financial environment during the 2017/18 financial year to ensure improved, consistent and sustainable financial viability of the municipality.

Financial Overview: 2017/18			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	203,979	201,794	185,266
Taxes, Levies and tariffs	622,660	630,725	654,788
Sub Total	826,639	832,519	840,054
Less: Expenditure	826,549	832,476	781,820
Net Total*	90	43	58,234
* Note: surplus/(deficit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	23%
Repairs & Maintenance	3%
Finance Charges & Impairment	1%
	T 1.4.3

Chapter 2

COMMENT ON OPERATING RATIOS:

Employee Costs – 23% of total operating expenditure. This is within the expected norm of 27%.

Repairs and maintenance costs - 3% of total expenditure. This appears very low when compared to expected norm of 8% and this is due to budget and cash constraints which limit the municipality when it comes to the ability to perform required repairs and maintenance of municipal infrastructure.

Finance charges – 1% of total expenditure indicates that even though the municipality is in a position to take on additional debt to finance infrastructure investments, it is rather concentrating on improving cash flow by implementing credit control and thus making the debt book liquid enough to internally fund such projects.

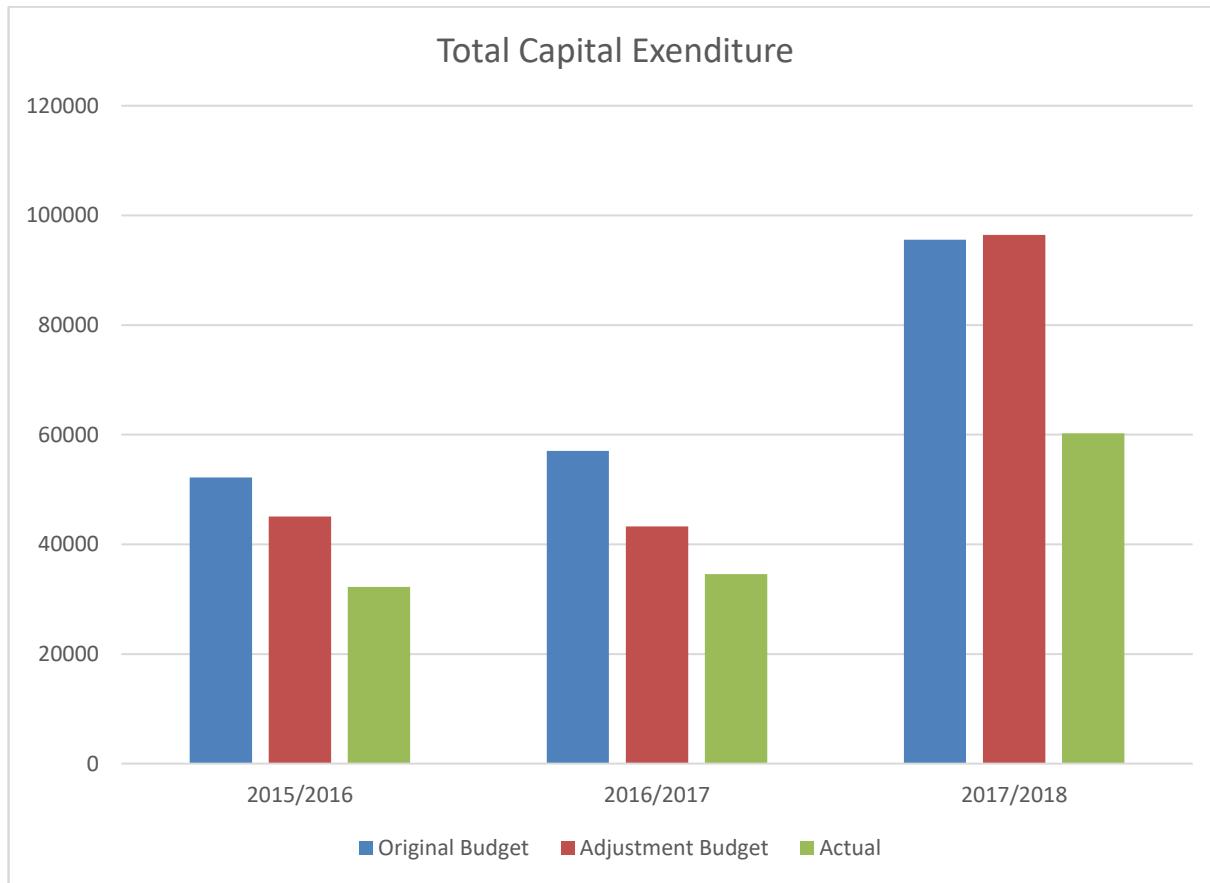
Total Capital Expenditure: Year -2 to Year 0			
Detail	2015/2016	2016/2017	2017/2018
Original Budget	52199	57011	95563
Adjustment Budget	45087	43244	96423
Actual	32254	34575	60221
			T 1.4.4

COMMENT ON CAPITAL EXPENDITURE:

The municipality spent 66% of its Capital expenditure. 95% of all capital grants were spent the municipality had R5,000,000 of the Municipal Infrastructure Grant (MIG) stopped due to National treasury sighting slow spending by the end of the second quarter of 2017/18.

Own funded Capital expenditure was poor due to cash constraints. This was in line with the collection rate of 89,04% for the financial year as own funded projects depends on the extent to which the municipality is able to collect its revenue.

Chapter 2



Chapter 2

ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

In the Auditor General (AG) Report (2015/16) findings were made on the organizational re-engineering process that was conducted in 2014/15 financial year. Issues of overspending, skills transference and job descriptions did not exist for a group of positions on the organizational structure. The South African Local Government Association (SALGA) confirmed that the service provider used was not accredited to conduct TASK job evaluation in the local government sector. As a result, a resolution was taken by Council to rationalize the re-engineering process already undertaken.

The process of organisational re-engineering was initiated in 2017/18 and will be concluded in the next financial year. The following stakeholders were consulted in this regard;

Departmental Heads and their teams.

Senior Management Team

Councillors.

With regards to Human Resources we have seen great improvement in terms of policy development as critical HR Policies were developed and reviewed, amongst others the following key policies: namely; Leave Management Policy; Recruitment Policy; Code of Conduct and Disciplinary Procedure.

Chapter 2

1.4. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2017/18 financial year

The municipality maintained an unqualified audit opinion on the regularity audit in the previous financial years.

status of audit report**:	
Status of audit report**:	Qualified opinion on audit of performance information.
Non-Compliance Issues	Remedial Action Taken
Non-compliance with municipal performance regulations	Development of standard operating procedures to address short comings in the municipalities performance management system

** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0*

*** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.*

T 6.2.2

Chapter 2

1.5. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2017/18 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to the Municipal Manager.	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant).	August
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data.	September - October
12	Municipalities receive and start to address the Auditor General's comments.	January
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report.	
14	Audited Annual Report is made public and representation is invited.	
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight report.	March
17	Oversight report is made public.	
18	Oversight report is submitted to relevant provincial councils.	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input.	March

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Proper distinction has been made between role players conducting governance in the municipality. This distinction is essential because each group on the level of governance has specific responsibilities and has therefore specific roles to play for which they are accountable. In accordance with the Municipal Systems Act (Act 32 of 2000), these roles should be subjected to performance and risk management and eventually to internal and external audit to verify the processes and the outcomes.

Councilors are elected by the community and therefore the community members hold Councilors responsible for service delivery and the implementation of Batho Pele Principles. The administration is appointed to execute the resolution of the Council and the administration is accountable to Council. There is an approved Performance Management System of the municipality. Roles and responsibilities as outlined in the planning documents of the council (IDP, Budget & SDBIP) are cascaded down to key employees of the municipality. The implementation thereof is monitored and reviewed on a quarterly basis.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipality as indicated in the Constitution of the Republic of South Africa in terms of section 151 (3) has established structures as required by Municipal Structures Act (Act No.117 of 1999) to govern its affairs. The municipality comprises of 26 Councillors.

- Thirteen (13) Ward Councillors
- Thirteen (13) PR Councillors

26 Councillors also comprise of the Executive Mayor, Speaker of Council and Five (5) Members of the Mayoral Committee. Through the delegated powers of authority, the oversight responsibility is shared amongst the established Council committees e.g. Section 80/79.

The Municipal Manager is central in ensuring that the roles and the responsibilities of these structures of the municipality are implemented as outlined in the Municipal Systems Act, (Act No.32 of 2000 as amended) Municipal Structures Act (Act No.117 of 1999 as amended) and other related legislation. The office of the Municipal Manager consists of the Monitoring and Reporting function which deals with Performance and Risk Management as well as Internal Audit for the provision of quality assurance services.

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Lesedi Local Municipality consists of the following Council committees;

- Mayoral Committee
- Five (5) Section 80 Committees
- Two (2) Section 79 Committees i.e. MPAC and Petitions
- Performance and Audit Committee
- Remuneration Committee

All committees of Council are fully functional.

Chapter 2



POLITICAL STRUCTURE

EXECUTIVE MAYOR (Cllr L F Maloka)



SPEAKER (Cllr MNR Nkosi)

Functions

- identify the needs of the municipality
- review and evaluate these needs in order of priority;
- recommend to the municipal council strategies, programmes and services to address priority needs through the Integrated Development Plan (IDP);
- recommend or determine the best methods, including partnership and strategies, programmes and services to the maximum benefit of the community.

Functions

- ensure that the council meets at least quarterly;
- preside at meetings of the council;
- maintain order during meetings; ensure compliance in the council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, No. 32 of 2000;
- Ensure that council meetings are conducted in accordance with the rules and orders of the council;
- promotes public participation.

Chapter 2

COUNCILLORS

Chapter 2



Cllr. Lerato Maloka
Executive Mayor



Cllr. Mluleki Nkosi
Speaker Of Council

LESEDI LOCAL MUNICIPALITY COUNCILLOURS

MEMBERS OF THE MAYORAL COMMITTEE



Cllr. Simon Moremi
Corporate Services
PR - ANC



Cllr. Katty Rakita
Community Services
PR - ANC



Cllr. Thembi Ramothibe
Finance
WARD 3 - ANC



Cllr. Mapule Motsepe
Infrastructure
WARD 11 - ANC



Cllr. Themba Motsepe
Local Economic
Development & Planning
PR - ANC

WARD COUNCILLORS



Cllr. Mziwakhe Motshonyane
WARD 1 - ANC
ANC - CHIEF WHIP



Cllr. Rose Mchunu
WARD 2 - ANC



Cllr. Sibongile Magazi
WARD 4 - ANC



Cllr. Themba Gama
WARD 5 - ANC



Cllr. Tressa Mofokeng
WARD 6 - ANC

PR - COUNCILLORS



Cllr. Lulama Gamede
PR - ANC



Cllr. Thulani Nyembe
PR - DA



Cllr. Simphiwe Hlatshwayo
PR - DA



Cllr. Bontle Mogorosi
PR - DA



Cllr. Mari Boshoff
PR - FF PLUS



Cllr. Zanele Twala
WARD 7 - ANC



Cllr. Mirna Mulder
WARD 8 - DA



Cllr. Gerry Holtzhausen
WARD 9 - DA



Cllr. Sieghard Paul
WARD 10 - DA



Cllr. Smith Mnyakeni
WARD 12 - ANC



Cllr. Manthatisi Sabababa
PR - EFF



Cllr. Zinah Abdullah
PR - EFF



Cllr. Moleboheng Malefela
PR - EFF



Cllr. Mashele Lukhele
WARD 13 - ANC



"PEOPLE CENTERED,
PERFORMANCE DRIVEN
MUNICIPALITY"

Chapter 3

POLITICAL DECISION-MAKING

Items or reports are generated from departments and are tabled before the Senior Management Team (SMT). Items or reports agreed in this meeting are further tabled before the applicable Section 80 Committees and to the Mayoral Committee. The Mayoral Committee resolutions and recommendations are tabled before the Council. All decisions taken by Council are implemented accordingly.

2.2 ADMINISTRATIVE GOVERNANCE

The Administrative Pillar is comprised of the Municipal Manager and five (5) Executive Managers responsible for the following departments;

Finance
Corporate and Legal
Community Services
Infrastructure Services
Local Economic Development and Planning

In conjunction with the Council's leadership, the Municipal Manager's role is to drive the vision, mission and strategic direction of the municipality as articulated in the Integrated Development Plan of the municipality;

Develop and implement business objectives, performance targets and operational efficacy of the municipality;

Set the tone at the top of the administration regarding the organisational ethics, code of conduct and values;

Provide leadership in the budgeting process guided by informed projections of revenues and expenditures, as well as oversee sound financial management and controls;

Develop, foster, maintain and review key and strategic relationships with key stakeholders;

Maintain an effective and reliable risk management and governance process and systems;

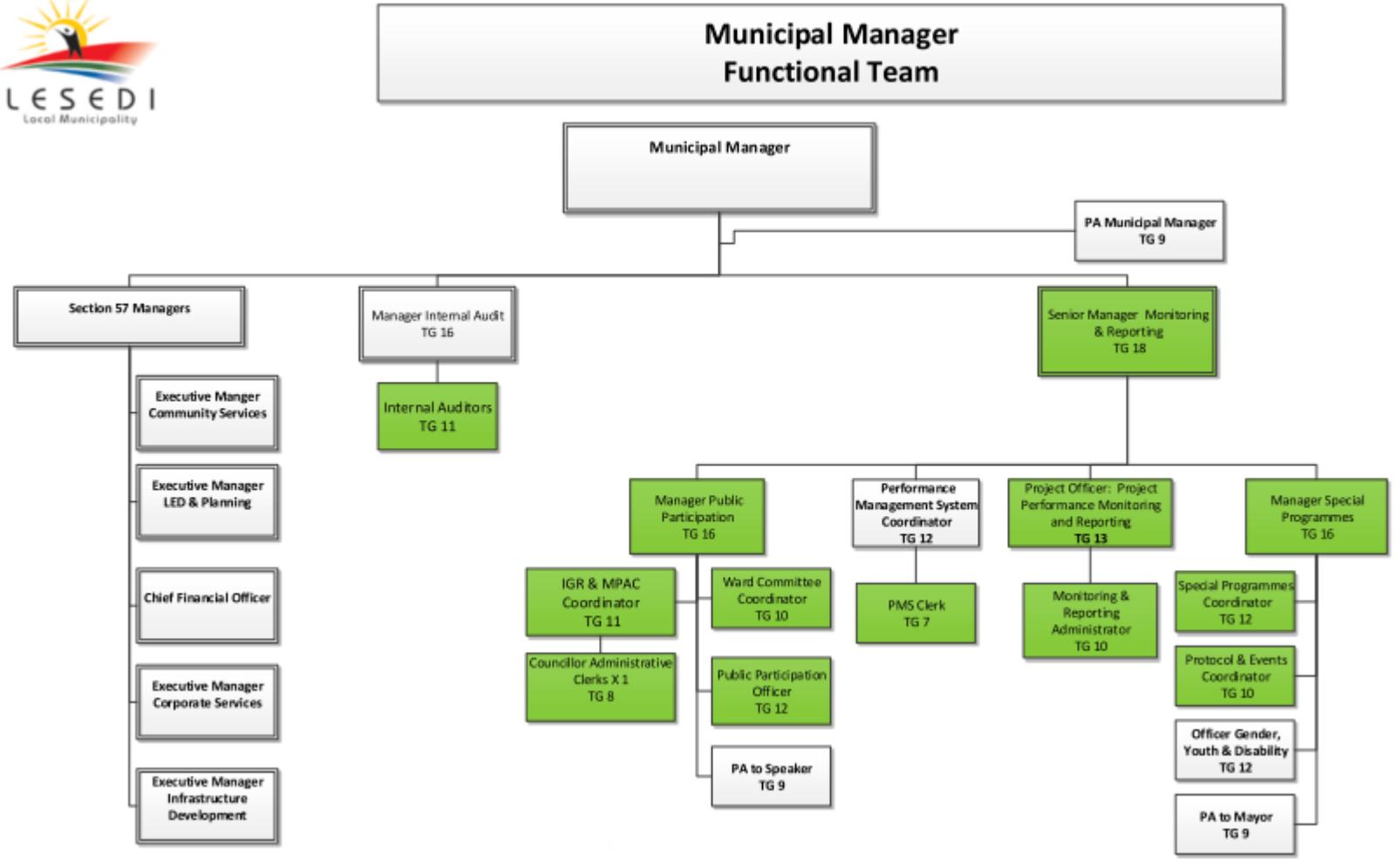
Ensure the maintenance of a monitoring and evaluation function and processes to monitor all activities, programmes and projects; and

Chapter 3

Ensure compliance and adherence to the applicable legislation, regulations, policies and rules impacting on local government.

Chapter 3

ORGANISATIONAL STRUCTURE



Chapter 3

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Lesedi Local Municipality operates within the prescripts of the Democratic Constitution of South Africa, 1996 where local government is one of the spheres of government. The promulgation of the Intergovernmental Relations Framework Act (Act No. 13 of 2005) provides a regulatory framework within which all the spheres of government interact. The Municipality is not excluded and fully participates in all the intergovernmental structures that operate provincially and nationally. These structures enable the Municipality to contribute to legislative undertakings. Such structures operate within the framework of existing legislative to provide support and assist Municipalities to execute their legislative imperative. Committees have been set up vertically and horizontally to execute intergovernmental responsibilities. Grants and various support mechanisms are deliberated along the provisions expressed in various pieces of legislation. Most of these forums are coined along the lines of various government functions. They take the form of Members of Executive Councils and Members of Mayoral Committees forums, Premiers Coordination Forums, Municipal Manager's Forum, Chief Financial Officers forums and Chief Information Officers' Forum. These forums operate within the sphere of organized local government within the auspices of the South African Local Government Association, District Municipalities and Pan-Municipal Departments where policy and programmatic schedules are determined.

2.2 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The National Government has seconded Municipal Infrastructure Support Agency (MISA) to assist the municipality on service delivery initiatives.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The municipality forms part of the Premier's coordinating forums, Provincial Sector Intergovernmental which comprises of MEC, MMCs and the sectoral technical IGR Forums which comprise of senior officials. There are also ongoing and regular engagements with different provincial government departments.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Lesedi Local Municipality forms part of the District wide IGR processes. Such structures are: Joint Mayoral Committee, CFO forum and Joint Municipal Managers (MM's forum).

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has established thirteen (13) ward committees which are sector based and monthly meetings are conducted. The objective of the committees is to increase consultation and improve service delivery.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

IDP/ BUDGET COMMUNITY FORUMS

During the annual review of both the Integrated Development Planning (IDP) and Budget, the Lesedi Local Municipality (LLM) ensures that all relevant stakeholders are involved in developing these plans, in accordance with the prescripts of Municipal Systems Act and the MFMA. In the year under review the LLM has robustly increased the number of participants during IDP/Budget Representative fora, inclusive of the areas where it remained impossible to get maximum involvement of the communities. The social media platforms were effectively used to increase the number of participants in the IDP/Budget meeting.

A total of twelve (12) meetings were held in the year under review. Meetings were held in Ratanda, Heidelberg, Devon/Impumelelo and Vischkuil/Kwazenzele respectively. The first meetings were mainly addressing the status quo of the municipality and the needs of different communities were compiled. The second tier of meetings were aimed at finalizing the IDP and Budget by ensuring that the views of different stakeholders were obtained and considered.

Furthermore, the scheduling of meetings took place to meet the requirements of the majority of the participants and most of the meetings were scheduled in the evenings. Though the material and documents handed to the participants were written in English, the meetings were mostly addressed in African Languages. All meetings were well attended and the attendance registers were kept for future reference.

IDP/ Budget meetings are always attended by stakeholders derive from our municipal data base; ward committee members; Community Development Workers; District Reps and NGO's. Our notices are placed on Local Newspaper and we send out notices to different

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stakeholders including SMSes. An invitation is also placed in our facebook page. Our IDP/Budget forums are area based i.e. Ratanda, Heidelberg and Devon.

Provincial and National sectoral departments are accorded an opportunity to comment through IDP Inter-sectoral engagements.

WARD COMMITTEES

Ward Committees are part of the process and review of the integrated development plan (IDP). They support the Council on performance by means of the approved PRMS management system. They make inputs and ensure participation during the review of Council budget. Participate with strategic decision making relating to the provision of municipal services. They act as advisory committee to the Ward Councillor.

2.5 IDP PARTICIPATION AND ALIGNMENT

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 1. Public meeting	1 Mar 2018; 18 Apr 2018 and 15 May 2018.	1	2	250	Yes	18 Apr 2018, Public meeting
Ward 2. Public meetings	2 Nov 2017; 5 Mar 2018; 16 May 2018 and 25 May 2018	1	2	200	Yes	5 Mar 2018 and 25 May 2018, Public meeting

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Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 3. Public meetings	30 Nov 2017; 5 Oct 2017 and 31 Jan 2018.	1	2	150	Yes	5 Oct 2017, Public meeting
Ward 4. Public meetings	13 Jul 2017; 24 Oct 2017 and 25 May 2018.	1	2	150	Yes	24 Oct 2017, Public meeting.
Ward 5. Public meetings	10 Dec 2017; 31 Jan 2017; 10 Apr 2018; 1 Mar 2018 and 21 Jun 2018.	1	2	250	Yes	31 Jan 2017 and 1 Mar 2018, Public meeting
Ward 6. Public meetings	17 Aug 2017; 23 Nov 2017; 31 Jan 2018 and 27 Feb 2018	1	2	200	Yes	23 Nov 2017 and 27 Feb 2018 F, Public meeting
Ward 7. Public meetings	12 Dec 2017	1	2	150	Yes	No feedback meeting
Ward 8. Public meetings	18 Apr 2018	1	2	78	Yes	No feedback meeting
Ward 9. Public meetings	None	None	None	None	No	No feedback meeting
Ward 10. Public meetings	None	None	None	None	No	No feedback meeting

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Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Ward 11. Public meetings	7 Dec 2017 and 19 Mar 2018	1	2	150	Yes	19 Mar 2018, Public meeting
Ward 12. Public meetings	30 July 2017 and 22 Oct 2017	1	2	200	Yes	22 Oct 2017, Public meeting
Ward 13. Public meetings	8 Oct 2017; 18 Feb 2018 and 20 May 2018.	1	2	150	Yes	18 Feb 2018, Public meeting

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Ward Public Meetings have proven to be effective in providing the public with a platform for consultation and sharing information. As a result social cohesion has been promoted thereby minimizing the community unrests.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes

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IDP Participation and Alignment Criteria*	Yes/No
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The municipality has corporate governance structures in place i.e. Audit Committee, Municipal Public Accounts Committee (MPAC), Section 80 Committees, Local Labour Forum (LLF), Management Committee, Mayoral Committee and Council. All these committees exercise different oversight at different intervals according to their roles and responsibilities. Policies and systems before being approved by Council go through these committees.

2.6 RISK MANAGEMENT

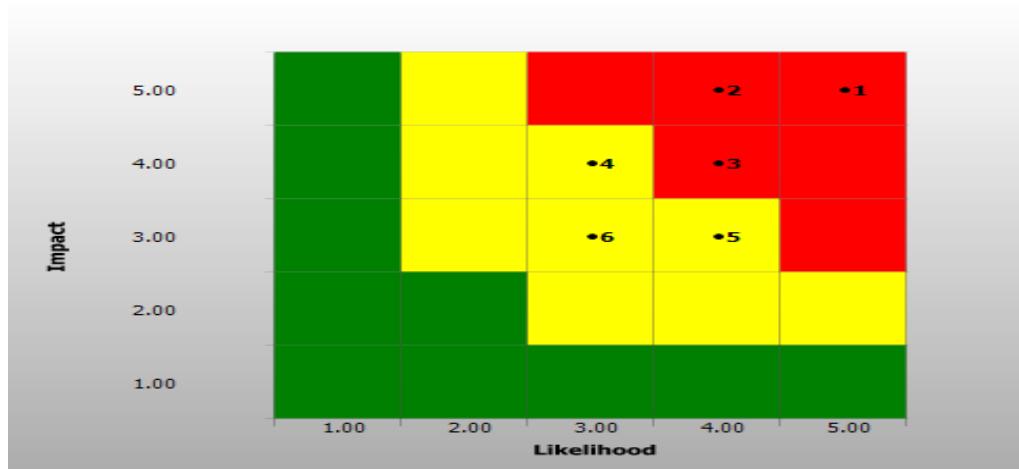
RISK MANAGEMENT

The municipality has an approved Risk Management Policy and Framework in place. A risk assessment workshop was conducted during the 2017/18 financial year to identify strategic risks. The risks identified as per the Strategic Risk Report are as follows:

SUMMARY OF STRATEGIC RISKS

Seventeen (17) risks identified during the Risk Assessment process are shown below as prioritised by participants in terms of Residual Risk Exposure:

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Title	RI	RL	RR	Point
Litigation.	5.0	5.0	25.0	1
Reputational / credibility damage.	5.0	5.0	25.0	1
Inability to provide firefighting service.	5.0	5.0	25.0	1
Insufficient/Inadequate provision of basic services.	5.0	5.0	25.0	1
Non-compliance to Occupational Health and Safety Act.	5.0	5.0	25.0	1
Loss of revenue.	5.0	5.0	25.0	1
Low economic growth and development.	5.0	4.0	20.0	2
Inadequate enforcement of the By-Laws.	5.0	4.0	20.0	2
Non-compliance with National Environmental Management Act (NEMA).	5.0	4.0	20.0	2
Inability to continue with operations in the event of disaster.	4.0	4.0	16.0	3
Loss of information.	4.0	4.0	16.0	3
Fraud and corruption.	4.0	3.0	12.0	4
Lack of Provision basic services in new areas.	4.0	3.0	12.0	4
Inability to deal with road maintenance and refurbishment.	4.0	3.0	12.0	4
Security breach (1. physical and 2. Electronic security).	3.0	4.0	12.0	5
Insufficient land use management system. (GIS).	3.0	3.0	9.0	6
Under spending on Capital Expenditure Projects (CAPEX).	3.0	3.0	9.0	6

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FRAUD AND ANTI-CORRUPTION STRATEGY

Lesedi Local Municipality is affiliated with Public Service Commission (PSC) Fraud Hotline system wherein members of the community can report Fraud and Corruption activities. This system is accessible for 24 hours to community members to report cases which are then forwarded to the office of the Municipal Manager for further investigation.

The municipality has also forged partnership with The Ethics Institute of South Africa to develop relevant policies, improve awareness and reporting.

2.8 SUPPLY CHAIN MANAGEMENT

The Lesedi Local Municipality's Supply Chain Management (SCM) Policy was reviewed and adopted by council as required in June 2018. The requirements as stated under Section 112(h) of the MFMA were fully complied with. LLM's SCM policy complies fully with the SCM Regulations as gazetted.

2.9 BY-LAWS

By-laws were developed and publicised for public comments (33 in total). The promulgation of priority by-laws was done and these included the finance and LEDP by-laws. The legal department is in a process of publishing more by-laws in 2018/19 financial year.

2.10 WEBSITES

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report 16/17	Yes
The annual report 2017/18 published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	N/A

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Documents published on the Municipality's / Entity's Website	Yes / No
All supply chain management contracts above a prescribed value (R 100 000.00) for 2017/2018	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) of MFMA (Act No. 56 of 2003) during 2017/18	N/A
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes
Public-Private Partnership agreements referred to in section 120 made in 2017/18	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2017/18	Yes

All of the requirement information for Municipal websites as set out in MFMA section 75 is updated.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality conducted a Customer Satisfaction Survey to measure the citizens' perception of all municipal services during the first half of 2017 / 2018 financial year. The following summary of survey findings and recommendations are based on Citizens' responses:

- A significant percentage (48%) of Citizens surveyed were unhappy with the overall service delivered by the Municipality. The reasons for unhappiness are due to: service not responsive nor reliable; municipal staff not helpful and incompetent; insufficient resources to provide service; and limited and inefficient points of service access.
- There is a high incidence (56%) of citizens interacting with the Municipality to complain about Electricity services.
- Citizens may feel compelled to visit the Municipality Offices instead of phoning due to the perception that their problem will not be resolved by phoning. This has undue transport costs to the citizens who are further away from the town.
- A focus on improving the municipality's service delivery internal processes will reduce the respondents "unhappiness ratings". Upskilling all the customer facing staff with customer relations skills will improve the unhappiness ratings due to staff issues.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The Department's key performance area as outlined in the IDP is basic services; the provision of basic services to the communities has increased on annual basis. Electrification of the first phase of the Obed Nkosi Township is one of the highlights that the Municipality achieved in addressing the need that relates to access to energy. Through the Municipal Infrastructure Grant funding roads and storm water challenges were addressed at ward 7, 10 and 11.

Upgrading of the electricity supply to the Heidelberg Industrial Area will ensure that there is a mutual relationship between the Municipality and the private sector, in addressing the energy challenges and ensuring that there is continuous production from the private sector which will assist in improving the overall Municipal GDP which will also contribute to the Sedibeng district's GDS2 and the provincial GDS.

COMPONENT A: BASIC SERVICES

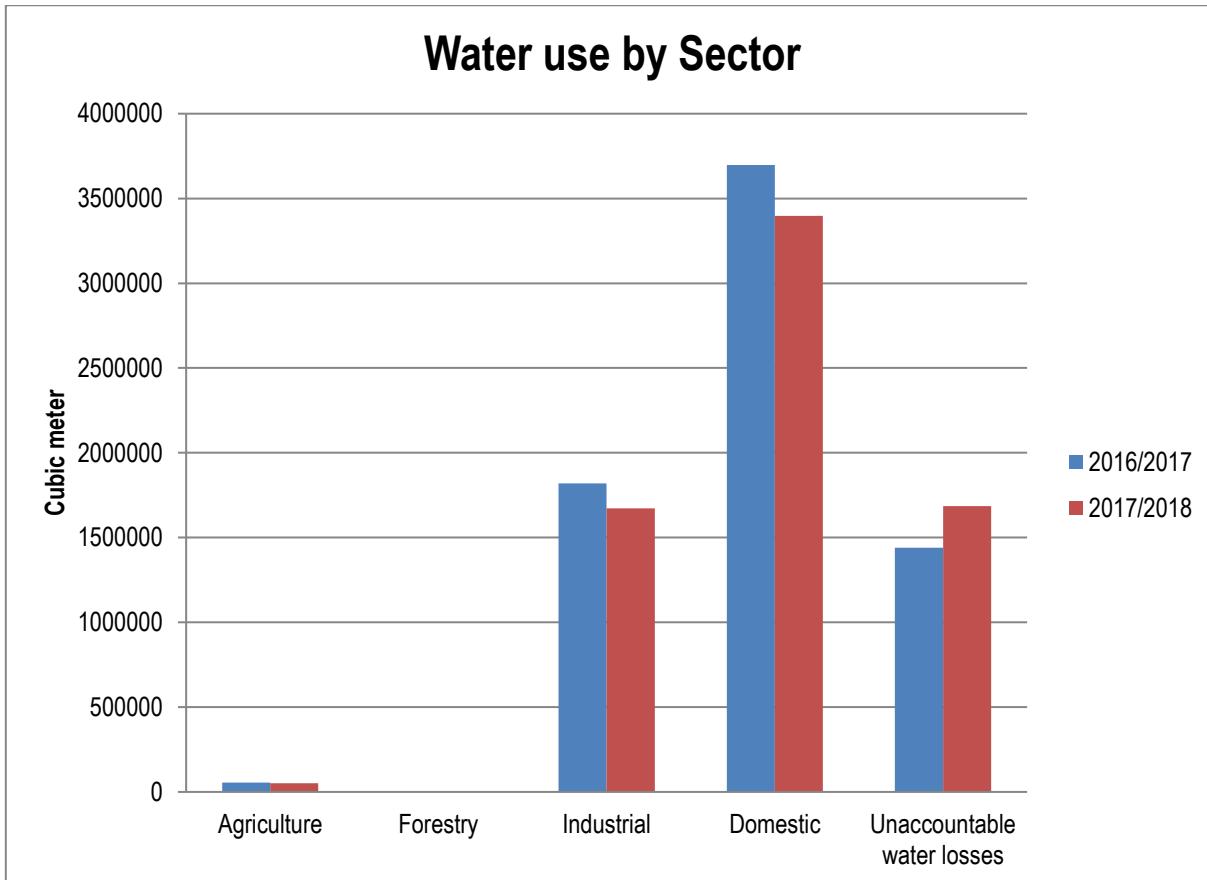
South Africa as one of the developmental state is currently faced with challenges that lead to service delivery protests from members of the public, thus Lesedi Local Municipality as a local sphere of government it's not immune to such nationwide challenges. The municipality strives to provide quality and affordable services to all its residents, though there are challenges that emanate from urbanization and soft borders which exert significant pressure on the infrastructure and the general waste production patterns.

The Municipality does not have an authorised landfill site to address waste disposal challenges by landfill in terms of the minimum requirements. The unavailability of waste disposal sites on the western edge of the municipality arise from the environmental sensitivity of the area and lack of municipal owned land for such activity.

3.1. WATER PROVISION

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2016/2017	55128	0	1819218	3696563	1439402
2017/2018	50969	0	1673083	3396865	1685956
					T 3.1.2

Chapter 3



Description	Households			
	Year -3 Actual No.	Year -2 Actual No.	Year -1 Actual No.	Year 0 Actual No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	36000	36000	36000	36000
Piped water inside yard (but not in dwelling)	-	-	-	-
Using public tap (within 200m from dwelling)	3200	3200	3200	3200
Other water supply (within 200m)	500	500	500	500
<i>Minimum Service Level and Above sub-total</i>	37	39	39	39
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	-	-	-	-

Chapter 3

Description	Water Service Delivery Levels				Households
	Year -3	Year -2	Year -1	Year 0	
	Actual No.	Actual No.	Actual No.	Actual No.	
Other water supply (more than 200m from dwelling)	-	-	-	-	
No water supply	-	-	-	-	
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%	
Total number of households*	39393	39393	39393	39393	

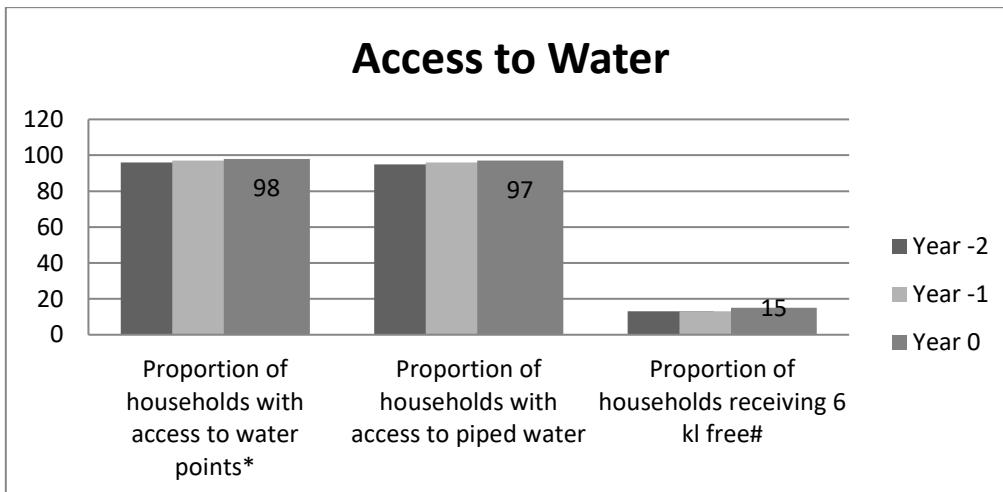
* - To include informal settlements T 3.1.3

Description	Households - Water Service Delivery Levels below the minimum						Households
	2014/2015	2015/2016	2016/2017	2017/2018			
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.	
Formal Settlements							
Total households	39393	39393	39393	1,000	1,000	100,000	
Households below minimum service level	0	0	0	0	0	0	
Proportion of households below minimum service level	0	0	0	0	0	0	0%
Informal Settlements							
Total households	3 200	3 200	3 200	100,000	100,000	100,000	
Households ts below minimum service level	0	0	0	0	0	0	
Proportion of households ts below minimum service level	0	0	0	0%	0%	0%	0%

T 3.1.4

Chapter 3

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -2	96	95	13
Year -1	97	96	13
Year 0	98	97	15
			T 3.1.5



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute.

6,000 liters of potable water supplied per formal connection per month.

Chapter 3

Water Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
<i>Households without minimum water supply</i>	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	N/A	N/A	N/A	N/A	N/A
<i>Improve reliability of water supply</i>	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	N/A	N/A	N/A	N/A	N/A
<i>Improve water conservation</i>	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	N/A	N/A	N/A	N/A	N/A

Employees: Water Services						
Task Grade	Year -1		Year 0			
	Employees	Posts	Employees		Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
			No.	No.		
0 - 3	0	0	0	0	0	0
4 - 6	33	36	33	33	3	8%
7 - 9	4	6	4	4	2	33%
10 - 12	8	9	8	8	1	11%
13 - 15	2	2	1	1	1	50%
16 - 18	1	1	1	1	0	0%
19 - 20	0	0	0	0	0	0
Total	48	54	47	47	7	13%

Chapter 3

Financial Performance Year 0: Water Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	104910	126242	124032	112743	-12%
Expenditure:					
Employees	10697	10091	11141	10711	6%
Repairs and Maintenance	1470	3020	1839	1589	-90%
Other	104712	77441	78103	102724	25%
Total Operational Expenditure	116879	90552	91083	115024	21%
Net Operational Expenditure	11969	-35690	-32949	2281	1665%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.1.8

The 2016/17 financial year was a tough year within the water sector, categorized by the water shortages due to the drought conditions. Appreciation to all the residents who conformed to the call of the Municipality, when it was pleaded that water should be used sparingly and avoid wasteful water usage practices. A punitive water tariff was approved by the Municipal Council as a measure of promoting responsible water usage. The water saving culture is promoted throughout all category of users, in ensuring that the scarce and non-renewable water resources are well managed for future generations.

The Community Survey conducted in 2016 indicates that approximately 36577 properties have access to piped water, whiles 2716 properties have access to other sources of water supply. The statics illustrates that all the properties within the Municipality's jurisdiction have access to potable water services ranging from piped, ground and tanker levels of services.

The Municipality through the Municipal Infrastructure Grant (MIG), implemented two infrastructure Projects in Ward 12 (Endicott/Kwazenzele), in support of the Mega Housing Projects namely Kwazenzele Phase Two. A 5 Mega liters Reservoir and a bulk water supply pipe line were constructed in Endicott/Vischkuil.

The Blue Drop Score for the Municipality is currently at 87% which illustrates a regression from the previous score of 93%. However the trend is observed throughout the whole of Gauteng Province. Efforts have been made to secure funding to address the non-revenue water, as a measure of revenue enhancement. Funding has been secured trough the Water Services Infrastructure Grant (WSIG), from the Department of Water and Sanitation. The Aging water pipelines replacement project will be rolled out over multiple years, starting from the 2017/18 financial year. The purpose of the project is to curb water losses and reduced water supply interruptions.

Chapter 3

Residents are urged to refrain from illegal water connections, theft and vandalism of the water supply infrastructure and its components. To report any visible water leaks and to fix internal leaks on their properties.

3.2 WASTE WATER (SANITATION) PROVISION

The Community Survey 2016 illustrates that approximately 36026 properties have access to water borne sanitation, 2854 have access to other forms of sanitation which includes ventilated improved pit latrines and chemical toilets. 413 properties in rural areas does not have access to sanitation, this properties are either illegal structures that have been recently erected or properties in private land.

All the four Informal settlements in the Municipality have access to sanitation in the form of ventilated improved pit latrines or chemical toilets. The mega housing projects will be paramount in reducing the number of informal settlements and also contribute positively towards the eradication of sanitation backlogs.

The overall Municipality Green Drop Score is at 79%, which is a significant improvement from the previous score of 67%. Though improvements can be realized it is important to note the score reflects only the western edge of the Municipality. More work still needs to be done around the waste water treatment and Green Drop Compliance, to reduce the number of Environmental non compliances.

The Municipality is currently undergoing Environmental Impact Assessment Studies in Kwazenzele Phase 2, for the expansion of the existing waste water treatment works so that sufficient capacity is created to cater for the proposed housing mega project in the form of Kwazenzele Phase 2.

The same process will be undertaken for the expansion of the Devon Waste Water Treatment Works, to accommodate drainage from the proposed Impumelelo Extension 3 and4.

Residents are also urged to refrain from illegal practices of disposing foreign substances and objects into the sewer system. Vandalism and theft of the infrastructure is also unacceptable.

Chapter 3

Description	Sanitation Service Delivery Levels			
	2014/2015	2015/2016	2016/2017	*Households ('000)
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	36	36	36	36
Flush toilet (with septic tank)	1	1	1	1
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min.service level)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	37	37	37	37
<i>Minimum Service Level and Above Percentage</i>	94.9%	94.9%	94.9%	94.9%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	0	0	0	0
No toilet provisions	0.437	0.437	0.437	0.437
<i>Below Minimum Service Level sub-total</i>	0.437	0.437	0.437	0.437
<i>Below Minimum Service Level Percentage</i>	1.1%	1.1%	1.1%	1.1%
Total households	39	39	39	39
*Total number of households including informal settlements				<i>T 3.2.3</i>

Chapter 3

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of toilets within standard	Additional Household s (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Employees: Sanitation Services							
Job Level	Year -1		Year 0				
	Employees	No.	Posts	Employees	No.	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
0 - 3	0	0		0	0	0	0
4 - 6	47	48		47	1	1	2%
7 - 9	15	15		13	2	2	13%
10 - 12	9	9		9	0	0	0%
13 - 15	2	2		2	0	0	0%
16 - 18	0	0		0	0	0	0
19 - 20	0	0		0	0	0	0
Total	73	74		71	3	3	4%

Chapter 3

Financial Performance Year 0: Sanitation Services						
Details	2017/18					R'000
	2016/17	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26860	27672	27597	26619		-4%
Expenditure:						
Employees	4320	5674	6789	6505		13%
Repairs and Maintenance	1254	1615	990	959		-68%
Other	19858	1769	17493	23437		92%
Total Operational Expenditure	25432	9058	25272	30901		71%
Net Operational Expenditure	-1428	-18614	-2325	4282		535%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Since sanitation backlogs are also housing related in nature the Municipality is working closely with the Provincial Department of Human Settlement to address housing challenges with will also address the sanitation related backlogs

Chapter 3

3.3 ELECTRICITY

Household's access to electricity is an important determinant of socio-economic welfare, with most non-electrified households typically living in poverty. Households with access to electricity are able to reallocate their time away from the collection of wood and other lighting materials, they are less likely to suffer health complications from smoke and chemical inhalation, access to media and other communication is greater resulting in a better-informed population, and students living in the home are better equipped to perform well in school.

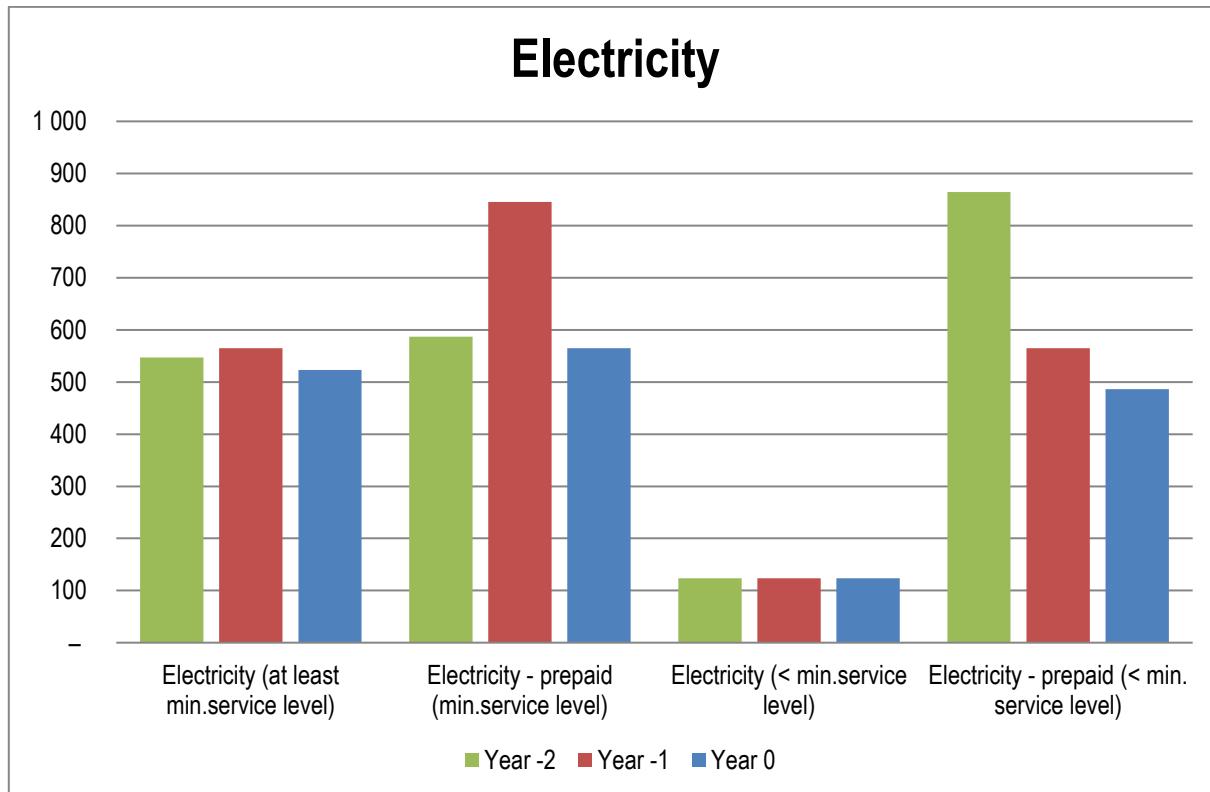
The basic services policy adopted by 2001 addresses the right of all households, particularly those living in poor areas, to access a minimum amount of free basic electricity. This implies that distribution networks must be extended to ensure that all households are able to access the electricity grid.

Access to electricity for the Lesedi Local Municipality as compared to Sedibeng DM and Gauteng Province indicate that in 2001 approximately 98% of households in Lesedi Local Municipality have access to electricity for lighting. This implies that electricity provision is not a major constrain for socio-economic development within the Municipality.

The Lesedi Local Municipality has made progress in terms of electricity access with approximately 216 more households connected to electricity in 2018, increasing access from 98. % to 98.3%. All formal household in Lesedi have access to electricity.

Description	Electricity Service Delivery Levels				Households
	2014/2015	2015/16	2016/17	2017/18	
Actual No.	Actual No.	Actual No.	Actual No.	Actual No.	Households
<u>Energy: (above minimum level)</u>					
Electricity (at least min.service level)	32,239	32,454	32,798	33,014	
Electricity - prepaid (min.service level)	15,752	15,967	16,311	16,527	
<i>Minimum Service Level and Above sub-total</i>	32,239	32,454	32,798	33,014	
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%	
<u>Energy: (below minimum level)</u>					
Electricity (< min.service level)					
Electricity - prepaid (< min. service level)					
Other energy sources					
<i>Below Minimum Service Level sub-total</i>					
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%	
Total number of households	32,239	32,454	32,798	33,014	
					T 3.3.3

Chapter 3



Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	32,239	32,454	32,454	344	216	33,014
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
Informal Settlements						
Total households	32,239	32,454	32,454	344	216	33,014
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%

Electricity Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2016/2017		2017/2018		
		Target	Actual	Target	Actual	
<i>Service Indicators</i> (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
To maintain the existing electricity infrastructure	By attending to all complaints received	100%	100%	100%	100%	100%
To increase access to electricity service	By installing 100 percent of new applications received	100%	100%	100%	100%	100%
Revenue enhancement through reduction in electricity losses	Electricity distribution losses not to exceed 10%	14%	14%	14%	14%	21%
% of households with access to basic services	% of households in the Municipality with access to basic levels of Electricity	90%	93%	93%	94%	94%

Chapter 3

Employees: Electricity Services						
Job Level	2016/2017	2017/2018				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0
4 - 6	16	18	14	4	22%	
7 - 9	12	14	10	4	29%	
10 - 12	9	21	9	12	57%	
13 - 15	2	2	2	0	0%	
16 - 18	1	1	1	0	0%	
19 - 20	0	0	0	0	0	
Total	40	56	36	20	36%	

Financial Performance Year 2017/18: Electricity Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	287996	306936	315713	295999	-4%
Expenditure:					
Employees	14257	12241	14080	15892	23%
Repairs and Maintenance	10775	11731	12692	12677	7%
Other	249909	257449	258452	254844	-1%
Total Operational Expenditure	274941	281421	285224	283413	1%
Net Operational Expenditure	-13055	-25515	-30489	-12586	-103%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.3.7

The overall performance in terms of electricity supply is satisfactory, given that the performance is above the District and the Province. The major upgrades required relates to the Obed Nkosi Township with approximately 6000 units, currently switchgear in Obed Nkosi township substation has been upgraded and 2,7 km of feeder cables installed to accomodate the electrification in Obed Nkosi. The expansion of Impumelelo to Extension 3 will also require up grades and Kwazenzele Phase 2.

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

All households in the urban and some rural areas receives refuse removal service, whiles some households in rural areas have no access to the service. The rationale behind such disparities is that some rural areas are sparse and the collection in such areas might not be feasible, due to roads conditions and that some are in private land. Despite all the efforts that have been taken in ensuring that there is at least once a week refuse collection service in households, the challenges are still experienced with illegal dumping of different waste streams.

The Municipality does not have an authorised landfill site in its area of jurisdiction, hence sites belonging to Ekurhuleni Metropolitan Municipality are utilized at a fee for disposal purposes. The disposal cost of using both the Platkop and Rietfontein landfill sites are not sustainable and economical for the Lesedi Local Municipality. To circumvent the escalating disposal costs a new landfill site has been constructed in Devon as part of the Nthirisano initiative.

The Expanded Public Works Programme (EPWP), which is supported by the Department of Cooperative Governance and Traditional Affairs remains crucial in addressing street cleaning and litter picking, particularly in areas where there are capacity constraints in terms of man power/warm bodies. The Gauteng Youth Jobs on waste programme supported by the Department of Environmental Affairs, has also contributed a lot into the whole waste management value chain. By ensuring that unemployed youth are given an opportunity to participate within the waste sector, provide temporary employment, build capacity, awareness and education of the members of the community.

Currently there are a number of recyclers/claimers who are operating within the Municipality, their contribution within the whole waste management hierarchy is appreciated since they are assisting with preserving the air space in the landfill sites, and also ensuring that the waste management activities are conducted in line with the requirements of the National Environmental Management Waste Act 59 of 2008, National Waste Management Strategy and the Gauteng Waste Management Strategy.

A data base of all waste collectors and transporters still needs to be developed as a monitoring tool of accounting for the volumes of waste streams generated, within the Municipality and diverted from the landfill sites. Solid waste By-laws will be promulgated once proper stakeholders engagement/Public Participation processes are exhausted in terms of legislation. The By-laws will not only assist with ensuring that the requirements of the National Environmental Management Waste Act 59 of 2008 are adhered to. But they will also ensure that a legal framework is provided to address the issues of illegal dumping are dealt with, including the polluter pays principle is adhered to.

In light of the above residents and private sector are urged to refrain from any form of illegal waste disposal practices, in a joint effort of providing a clean and healthy environment for all.

Chapter 3

Description	Solid Waste Service Delivery Levels			
	2014/2015	2015/2016	2016/2017	2017/2018
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	35673	35673	35673	35923
<i>Minimum Service Level and Above sub-total</i>	35673	35673	35673	35923
<i>Minimum Service Level and Above percentage</i>	84.4%	84.4%	84.4%	91.2%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	3500	3500	3500	3200
Using own refuse dump	120	120	120	120
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	3620	3620	3620	3320
<i>Below Minimum Service Level percentage</i>	15.6%	15.6%	15.6%	8.8%
Total number of households	39393	39393	39393	39393

T 3.4.2

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	39393	39393	39393			39393
Households below minimum service level	120	120	120			120
Proportion of households below minimum service level	0.3%	0.3%	0.3%			
Informal Settlements						
Total households	3500	3500	3500			3200
Households below minimum service level						
Proportion of households below minimum service level	9%	9%	9%			8.8%
T 3.4.3						

Waste Management Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
<i>Provision of weekly collection service per household (HH)</i>	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	39393	36577	93%	93%	6%
<i>Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites</i>	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	N/A	N/A	N/A	20yrs	20yrs
<i>Proportion of waste that is recycled</i>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	10%	10%	10%	15%	12%
<i>Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.</i>	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	N/A	N/A	N/A	100%	100%

Chapter 3

Employees: Solid Waste Management Services						
Job Level	2016/17	2017/18				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0
4 - 6	30	30	28	2	7%	
7 - 9	6	6	4	2	33%	
10 - 12	3	3	3	0	0%	
13 - 15	0	0	0	0	0	
16 - 18	1	1	1	0	0%	
19 - 20	0	0	0	0	0	
Total	40	40	36	4	10%	

Employees: Waste Disposal and Other Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	12	12	12	0	0	0%
7 - 9	4	4	4	0	0	0%
10 - 12	0	0	0	0	0	0%
13 - 15	0	0	0	0	0	0%
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	16	16	16	0	0	0%

Financial Performance Year 2017/18: Solid Waste Management Services					
R'000					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	32360	31346	31621	28713	-9%
Expenditure:					
Employees	8620	8143	9476	9003	10%
Repairs and Maintenance	35	1138	884	758	-50%
Other	23770	14552	14564	22393	35%
Total Operational Expenditure	32425	23833	24924	32154	26%
Net Operational Expenditure	65	-7513	-6697	3441	318%

Chapter 3

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.4.7

Financial Performance Year 0: Waste Disposal and Other Services					
Details	R'000				
	2017/2018				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	32360	31346	31621	28713	-9%
Expenditure:					
Employees	8620	8143	9476	9003	10%
Repairs and Maintenance	35	1138	884	758	-50%
Other	23770	14552	14564	22393	35%
Total Operational Expenditure	31171	22059	21165	32425	32%
Net Operational Expenditure	1189	9287	10456	-3712	350%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.4.8

3.4 HOUSING

Housing needs in Lesedi Local Municipality

Lesedi Local Municipality has been seized with numerous housing initiatives during the period under review. During this period the Municipality has been trying to complete the Shalimar Ridge (186 units) and 1187 Protea Road (24 units) Community Residential Units. The units are completed. The projects are not yet handed over to the Municipality due to outstanding work bordering on landscaping, parking bays and fencing. Funding to finalise the latter is being lobbied. It is anticipated that this should be approached in the context of social housing program. In order to address the housing backlog in the arena of eradication of informal settlements, 238 stands were identified and serviced in Ratanda Extension 8. During the period under review forty-three (43) units have been constructed, electrified and handed over to the beneficiaries. The heavy storm that engulfed the Municipality in 2016 impacted on structures adversely. Renovations are still outstanding and the Department of Human Settlements is awaited to appoint a service provider to attend to the damaged structures.

In the rural areas of Kwazenzele Extension 1 and Impumelelo Extension 3 and 4, the Municipality jointly with Provincial (Gauteng) government have identified a need to provide housing. Kwazenzele Extension 1 has been included in the new Mega Project for human settlement. A developer has been appointed and contractual issues have delayed the commencement of the project. This project has also identified a developer for a commercial development. This was done in the context of implementing the Local Economic Development Strategy as adopted in 2014. In Impumelelo Extension 3 and 4, the Gauteng Department of Human Settlements could not proceed with its plans in view that the property has been procured by a private developer. Negotiations are afoot to negotiate partnership.

The Municipality has had to address the development of Kaydale township, a private development. The latter is selling stands without providing services like water, roads, sanitation and electricity. Building plans cannot be approved as a result of the developer not fulfilling town planning requirements. The community has pinned their hopes on the Municipality thus resulting in unexpected pressure on the part of the Municipality. Negotiations are unfolding to waive the rights of the developer so as to permit the Municipality to facilitate control and development.

In order to address informal settlements, a survey has been conducted through the National Department of Human Settlements (National Upgrading Support Programme). A detailed report is pending. In addition, the Municipality has to develop a Housing Sector Plan which would have to be aligned with the Integrated Development Plan.

Chapter 3

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2013/14	22300	13938	62.5%
2014/15	23470	16148	68.8%
2015/16	25480	19492	76.5%
2016/17	29652	23395	78.9%
2017/18	35367	34000	96.1%
			T 3.5.2

Employees: Housing Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	1	1	1	0	0	0%
7 - 9	2	3	2	0	0	0%
10 - 12	6	5	5	1	20%	
13 - 15	1	1	1	0	0%	
16 - 18	1	1	1	0	0%	
19 - 20	0	0	0	0	0%	
Total	11	11	10	1	9%	

Financial Performance Year 2017/18: Housing Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7485	1896	1919	2630	28%
Expenditure:					
Employees	4956	5179	5375	5665	9%
Repairs and Maintenance	0	2	0	0	0%
Other	16685	12768	12173	459	-2682%
Total Operational Expenditure	21641	17949	17548	6124	-193%
Net Operational Expenditure	14156	16053	15629	3494	-359%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The purpose of the policy is to ensure that the subsidy scheme for indigent house-holds forms part of the financial system of the municipality and to ensure the same procedure be followed for each individual case in a fair and equitable manner.

The criteria used for households to qualify for indigent support is as follows:

Subsidy, within the financial ability of the municipality, be allocated to owners, be allocated to owners of premises who receive electricity, water and sewerage or refuse removal services from the municipality in respect of charges payable to the municipality for such services.

The household income must not be more than R3 500. Income of all households was considered, excluding child support and disability grants.

Only one application per person in respect of one property shall qualify for consideration per household. A business, body corporate, association, club or governing body shall not qualify for consideration

The subsidy will not apply in respect of households owning more than one property, who will therefore not be classified as indigent.

That the combined gross income of a household for qualification as an indigent be determined as equal or less than R3 500 per month excluding: Child support, foster care and disability grants

All basic charges will be levied and be offset against equitable share.

Residents wishing to apply as indigent should do so at Lesedi Finance Department for verification and capturing That a subsidy be credited on the account for one year – that approved indigents be subsidized according to:

Indigent relief: Water

Consumer may receive their first 6 kl, or as determined by Council from time to time of consumption on a zero-based tariff.

Indigent relief: Electricity

Consumer will receive a free supply of 50 kWh per month in case where a low voltage meter has been installed

The Municipal Manager will grant authority that a prepayment meter may be installed in those properties where the registered owners qualify and are registered for indigent relief so that the debtor cannot consume electricity beyond such debtor's means.

All prepayment meters are installed at the rate as indicated in the Tariff Policy.

Chapter 3

Indigent relief: Refuse

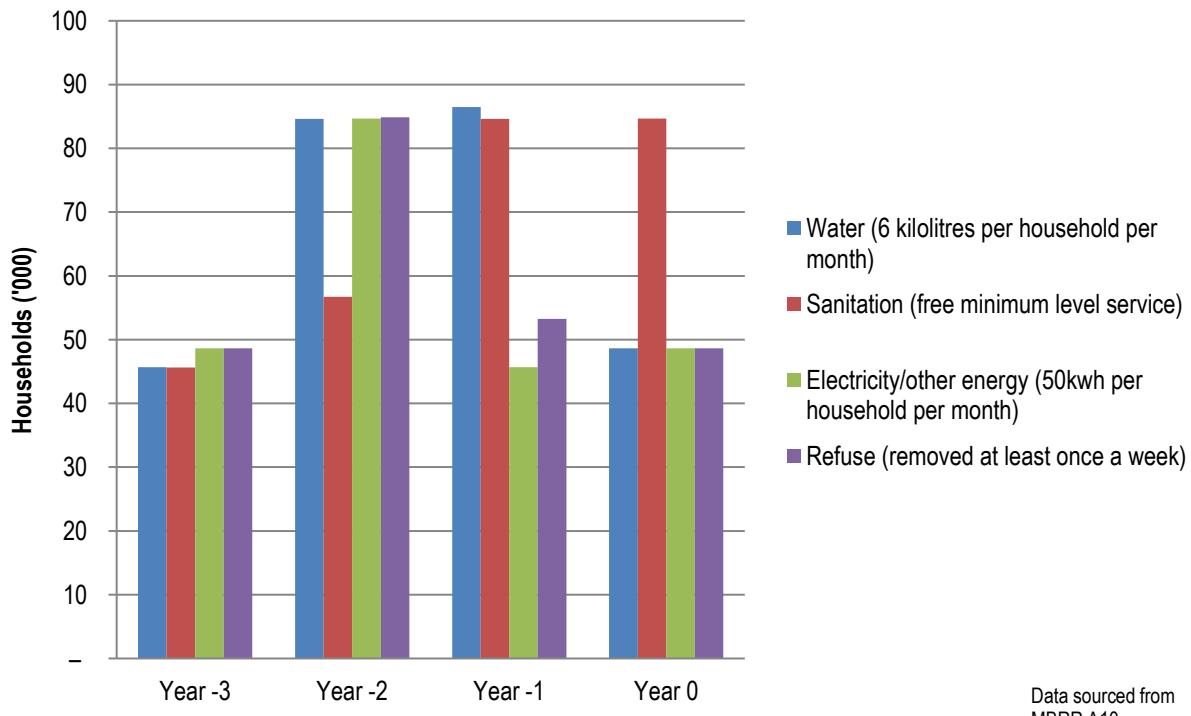
All registered debtors will be levied with a refuse removal service and be offset against equitable share.

Indigent relief: Sewerage

A basic charge will be levied and be offset against equitable share.

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than R3 500 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2014/15	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
2015/16	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
2016/17	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
2017/18	81,641	20,410	5,233	26%	5,233	26%	5,233	26%	5,233	26%
										T 3.6.3

Free Basic Household Services



Chapter 3

COMPONENT B: ROAD TRANSPORT

Lesedi Local Municipality does not have a public bus service.

3.7 ROADS

Road Infrastructure

Lesedi local municipality has approximately 290 kilometers of paved roads and 342 km of gravel roads. The main focus of the section is to reduce the backlog of the provision of appropriate paved roads.

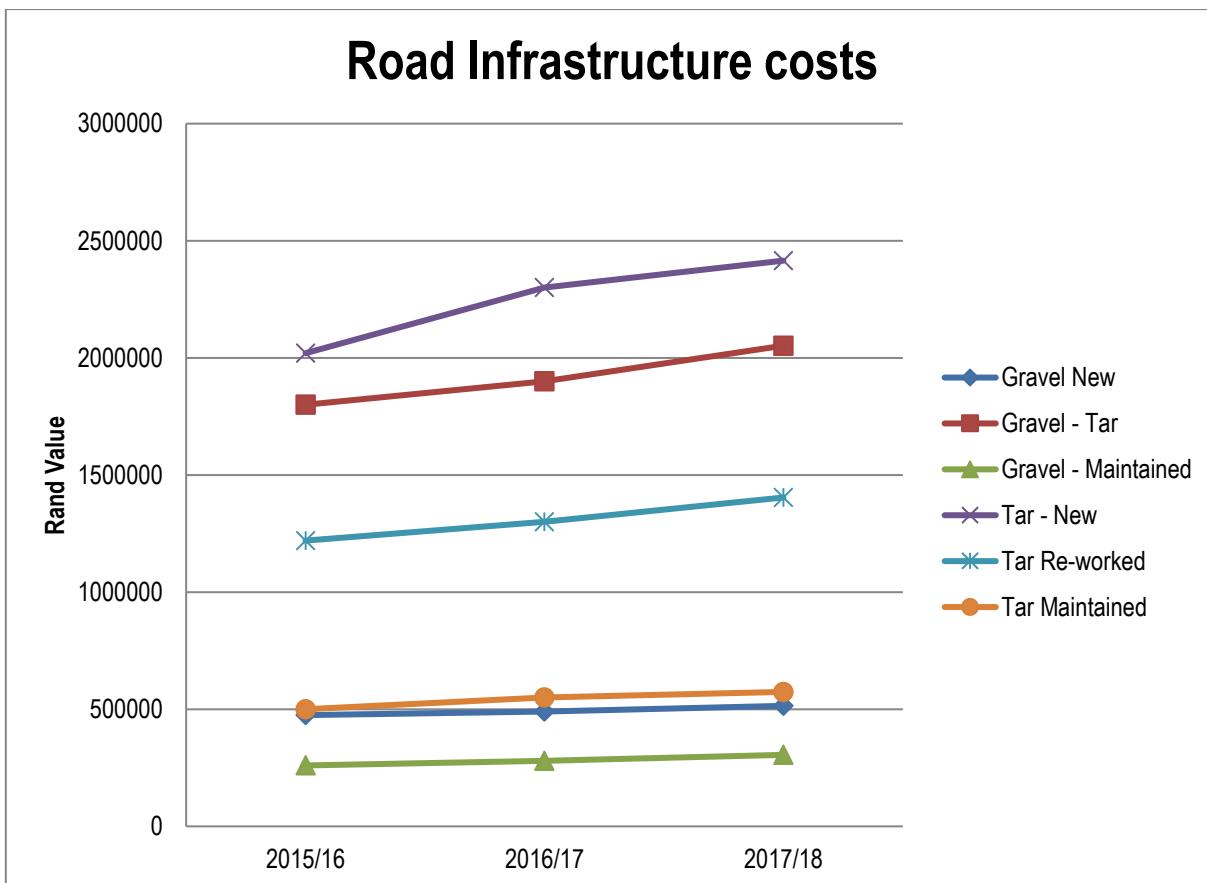
The primary objective of roads focus on the following:

- To upgrade gravel residential roads to paved roads, focusing on previously disadvantaged townships to improve the mobility and quality of life of the affected areas
- The maintenance of gravel roads in formal and informal areas to enhance access to those areas
- The execution of patching, rehabilitation, erecting speed humps and resurfacing of paved roads to prevent the deterioration of the existing infrastructure as well as the safety of the public
- To improve the construction of major roads to reduce congestion and facilitate economic development.

Paved Road Infrastructure						Kilometers
	Total paved roads	New paved roads	Existing paved roads re-surfaced	Existing paved roads re-sheeted	Paved roads maintained	
2015/16	267	2.7	4	0	267	
2016/17	270	2.6	0	0	267	
2017/18	290	2.4	0	0	270	
						T 3.7.3

Chapter 3

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2015/16	475000	1800000	260000	2020000	1220000	500000
2016/17	490000	1900000	280000	2300000	1300000	550000
2017/18	514500	2052000	305200	2415000	1404000	574000
						T 3.7.4



Chapter 3

Road Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2016/17		2017/18		
		Target	Actual	Target	Actual	
Service Indicators		*Previous Year		*Previous Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Service Objective xxx						
<i>Elimination of gravel roads in townships</i>	Kilometers of gravel roads paved (Kilometers of gravel road remaining)	xxx kms gravel roads paved (xxx kms gravel roads remaining)	xxx kms gravel roads paved (xxx kms gravel roads remaining)	xxx kms gravel roads paved (xxx kms gravel roads remaining)	xxx kms gravel roads paved (xxx kms gravel roads remaining)	xxx kms gravel roads paved (xxx kms gravel roads remaining)
Development of municipal roads as required	kms of municipal roads developed	2.6 km	2.6 km	2.6 km	3.9 km	2.4 km

Employees: Road Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
No.	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	45	45	43	2	4%	
7 - 9	2	2	1	1	50%	
10 - 12	1	1	1	0	0%	
13 - 15	1	1	1	0	0%	
16 - 18	0	1	0	1	100%	
19 - 20	0	0	0	0	0%	
Total	49	50	46	4	8%	

Chapter 3

Financial Performance Year 2017/18: Road Services						R'000
Details	2016/17	2017/18				Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	Actual	
Total Operational Revenue	150	41915	36915		36873	-14%
Expenditure:						
Employees	8320	10384	9574	8185		-27%
Repairs and Maintenance	4817	4580	2962	2489		-84%
Other	6309	10533	10836	7551		-39%
Total Operational Expenditure	19446	25497	23372	18225		-40%
Net Operational Expenditure	19296	-16418	-13543	-18648		12%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.7.8

The road network in Lesedi stretches for 665 Kilometres (km). Surfaced or paved road has been provided to almost all Extensions in Lesedi. The roads in Vischkuil and other Agricultural Holdings are gravel roads and are maintained by the LLM. The total backlog in RDP houses for roads & stormwater in Lesedi area 114km.

Chapter 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Storm-water Infrastructure

Storm-water runoff is considered a common enemy and each property owner may fight it off or control it by retention, diversion, repulsion or altered flow

. The focus of the common enemy rule has two focal points:

- The need to make improvements to property, with the acknowledgement that some damage results from even minor improvements; and
- The principle of granting each landowner as much freedom as possible to deal with his land essentially as he sees fit.

The primary objective Storm-water focuses on the following:

- The upgrading and installation of new storm-water systems related to the upgrading of paved roads, focusing on previously disadvantaged townships;
- The construction of new major Storm water systems to address flooding & erosion challenges;
- The maintenance of storm-water systems;
- The development of policies and procedures to address the growth in storm-water runoff resulting from developments;
- The responsibility to preserve the natural environment;
- The need to strive for a sustainable environment while pursuing economic development;
- The desire to provide the optimum methods of controlling runoff in such a way that the main beneficiaries pay in accordance with their potential benefits; and

The need to protect the health, welfare and safety of the public, and to protect property from flood hazards by safely routing and discharging storm-water from developments.

Chapter 3

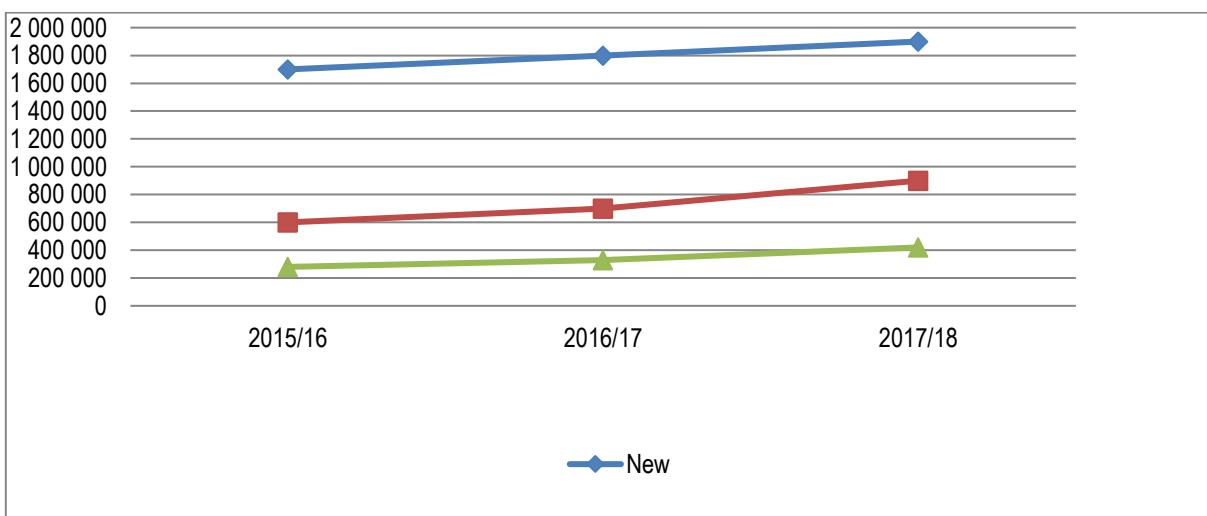
NB: Our roads are also designed to act as stormwater runoff, therefore the roads are part of the stormwater system including stormwater pipes and channels.

For all the road that were constructed in the financial year under review as reported above, includes under ground stormwater system/ pipes which helps in addressing most of the challenges listed above.

Stormwater Infrastructure					Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained	
Year -2	267	2.7	0	0	267
Year -1	270	2.6	0	0	267
Year 0	273	2.4	0	0	270

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			R' 000
	New	Upgraded	Maintained	
2015/16	1,700,000	600,000	280,000	
2016/17	1,800,000	700,000	330,000	
2017/18	1,900,000	900,000	420,000	
			T 3.9.3	

Stormwater Infrastructure Cost



Chapter 3

Financial Performance Year 2017/18: Stormwater Services					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	150	41915	36915	36873	-14%
Expenditure:					
Employees	8320	10384	9574	8185	-27%
Repairs and Maintenance	4817	4580	2962	2489	-84%
Other	6309	10533	10836	7551	-39%
Total Operational Expenditure	19446	25497	23372	18225	-40%
Net Operational Expenditure	19296	-16418	-13543	-18648	12%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.9.7

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COMPONENT C: PLANNING AND DEVELOPMENT

Lesedi is strategically located on the edge of Gauteng within two national development corridors, namely the Johannesburg / eThekweni corridor (N3) and the Gauteng / Swaziland corridor (N17). Future development initiatives within the municipality should seek to maximize development opportunities emanating from these corridors and to tap the latent development energy along the major transportation routes through the area.

The local economy is currently too reliant on a few key concerns (e.g. BAT), Eskort Bacon Factory, Karan Beef Feedlot, Manjoh Ranch Feedlot, Transnet National Multi-Product Pipeline; Steel Industry. However, there are opportunities for local economic growth in the agricultural, transport / logistics and tourism sectors.

Unemployment is high – in the region of 43% (quantek-source) - while the average level of education is low and the skills shortage may hamper sustainable local economic growth. A broader technical and entrepreneurial skills base is needed in the area. An establishment of a skills centre is on advanced planning stage, as it awaits council to approve the identified land, and there is a commitment of funding from the Services SETA in this regard.

The fragmented urban settlement pattern combined with the low rural population densities and the large land area covered by the municipality, impacts negatively on service delivery. In this scenario the best approach towards cost-effective service delivery is to encourage settlement in and around the larger urban areas where basic services infrastructure is already in place and to concentrate rural service delivery within a few strategically-located rural service nodes.

Both Heidelberg/Ratanda and Devon/Impumelelo still display apartheid-based settlement patterns with segregation along racial and socio-economic lines. As far as future development is concerned the challenge will be to ensure a greater degree of integration while simultaneously addressing infrastructure and service backlogs in the township areas.

In line with international and national trends, Lesedi has been experiencing a gradual migration of people from the farms and rural areas towards the urban centres, especially towards Heidelberg / Ratanda, which is perceived by the surrounding rural population as the place with the greatest economic opportunities. This trend can be expected to continue in the foreseeable future. The challenge here is twofold – on the one hand to cater for the influx into the urban centres and on the other hand to facilitate the creation of more economic opportunities in the rural hinterland.

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Through its LED strategy, the Municipality appointed numerous developers to form partnership to effect the implementation of the said strategy across the Municipality. This translates into property, retail and environment management development. Currently a warehouse port is under planning and an EIA application is being submitted while plans for the commercial development in Kwazenzele Extension 1 is at the planning stage pending the finalisation of the Township establishment process

3.10 PLANNING

Spatial Development Framework (SDF)

As part of Spatial Planning and Land Use Management Act (2013), the Municipality has approved the development of the Municipal Planning Tribunal. Pending is the appointment of the chairperson of the Municipal Planning Tribunal and review of the Town Planning Scheme.

The delay in finalising the appointment of the chairperson of the Municipal Planning Tribunal poses a predicament in as far as compliance and reduction of backlogs in development applications objections are concerned.

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	2	3	18	11	390	435
Determination made in year of receipt	2	2	16	6	360	348
Determination made in following year	0	1	2	5	30	350
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	1	0	5	0	94

T 3.10.2

Employees: Planning Services						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Posts	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6	3	3	3	3	0	0%
7 - 9	2	2	2	2	0	0%
10 - 12	8	8	7	7	1	13%
13 - 15	2	3	3	3	0	0%
16 - 18	1	1	1	1	0	0%
19 - 20	0	0	0	0	0	0%
Total	16	17	16	16	1	6%

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Details	2016/17	2017/18				R'000
		Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	671	0	0	0	0	0%
Expenditure:						
Employees	0	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0	0%
Other	0	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0	0%
Net Operational Expenditure	-671	0	0	0	0	0

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.10.5

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

In considering Lesedi within the Provincial context, it is important to note a few of the advantages Lesedi holds over other municipal areas and it is important that these are exploited to the maximum in relation to economic development in the area:

- Its proximity to biggest commercial hub in Africa.
- Began as a transport hub for the Country and carries the potential of developing a dry dock facility.
- Undiscovered natural beauty.
- Second lowest crime rate in Gauteng (Second to Sebokeng, which has a police academy).
- Has major national road routes passing through it.
- Strong agricultural and agro-processing potential.
- As yet has not defined its core identity and has the freedom to invent itself in the most appropriate manner.

Local Economic Development aims at unpacking the opportunities and priority initiatives which will most favourably capitalise upon the resources and objectives of the Municipality and in a

Chapter 3

manner which aligns the energies and programmes of the various National and Provincial Government Departments as well as support agencies, civil society and the communities themselves. These priority initiatives have through broad based consultation and research been identified as

- Agriculture & Agro-processing
- Manufacturing
- Freight Transport
- Tourism
- Residential

Economic Activity by Sector			
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	45	50	52
Mining and quarrying	12	132	133
Manufacturing	95	951	945
Wholesale and retail trade	36	375	381
Finance, property, etc.	865	867	873
Govt, community and social services	721	756	765
Infrastructure services	192	198	201
Total	1966	3329	3350
			T 3.11.2

Economic Employment by Sector			
Sector	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing	825	824	798
Mining and quarrying	358	347	342
Manufacturing	2,311	2,344	2,144
Wholesale and retail trade	5,004	6,071	5,902
Finance, property, etc.	4,887	4,899	4,802
Govt, community and social services	6,667	6,802	6,824
Infrastructure services	1,924	1,974	1,944
Total	21976	23,261	22756
			T 3.11.3

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Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2	799	0	799	Heidelberg Mall
Year -1	112	0	112	Themba Projects
Year 0	101	0	101	Vopak-Reatile Bulk terminal

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2015/16	8	90
2016/17	8	127
2017/18	8	130
* - Extended Public Works Programme		T 3.11.6

Employees: Local Economic Development Services						
Job Level	2016/17		2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	2	2	2	0	0	0%
7 - 9	0	1	0	1	100%	
10 - 12	3	3	1	2	67%	
13 - 15	2	4	2	2	50%	
16 - 18	1	1	1	0	0%	
19 - 20	0	0	0	0	0%	
Total	8	11	6	5	45%	

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Financial Performance Year 2017/18: Local Economic Development Services					
Details	2016/17	2017/18			
		Actual	Original Budget	Adjustment Budget	Actual
					Variance to Budget
Total Operational Revenue	163	248	166	163	-52%
Expenditure:					
Employees	4035	4333	4664	4513	4%
Repairs and Maintenance	0	2	0	0	0%
Other	191	936	666	11670	92%
Total Operational Expenditure	4226	5271	5330	16183	67%
Net Operational Expenditure	4063	5023	5164	16020	69%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.11.9

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COMPONENT D: COMMUNITY & SOCIAL SERVICES

The Department of Community Services renders various functions such as Sports, Recreation, Arts, Culture and Heritage; Social Development; Environmental Health; HIV & Aids; Library & Information Services; Parks & Cemeteries; Traffic; Disaster Management; Fire & Rescue Services to the community of Lesedi. Households registered as indigent can access indigent burial support

3.12 LIBRARIES; MUSEUMS; COMMUNITY FACILITIES

In respect of Section 156 (1) the Municipality has the executive authority to administer the local government matter listed in part B of Schedule 4 and part B of schedule 5 and any other matter assigned to it by National or Provincial Legislation.

OBJECTIVES

OBJECTIVES (Library Services)

- Support and stimulate the social, economic, educational, cultural, recreational, scientific research, technological and information development.
- Provide optimal access to relevant information to every person in an economic and cost effective manner.
- Promote basic and fundamental literacy and a culture of reading.
- Make available the National Documentary Heritage and facilitate access to the world's information resources to all.
- Provide for the preservation of the National Documentary Heritage.

PROJECTS and BUDGET

STAFF:

New Positions approved and filled 2017/18:

- 1 x Librarian
- 2 x Assistant Librarians
- 1 x Library Assistant

Appointed library personnel:

- Lesedi Local Municipality: 9
- DAC funding: 19
- Equitable Share: 2

Positions filled permanently: 16

Positions filled on contract: 14

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Information Material:

11364 Books

New books were purchased and shelved as follows:

- Creating of new shelves in Ratanda Proper - and Impumelelo Libraries
Pan African Writers
African Writers
- All Lesedi Libraries
Children Afrikana
Reference Material
All Categories
- Kwa Zenzele Modular Library
All categories

Periodicals:

Topics/categories procured:

- Leisure
- Educational
- Financial
- Sport
- Health
- Political
- Interior
- Environmental
- Parenting
- Toddler
- Teenager

Asset Verification:

- 2017/2018 145 000 items have been verified.

Security:

- Alarms systems installed at all Libraries with panic buttons and armed response.
- Guarding services at Extension 7 library for year July 2017 – June 2018 were provided.

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ICT Security:

- Reading Frequency and Identification Device (RFID) Detection Library System installed at all Lesedi Libraries.
- RFID Tags and Labels have been purchased.
- Cyber Security for libraries (Anti-Virus: License Fees)

Upgrading of Libraries:

- Tiling of Heidelberg Library completed.
- Painting of Vischkuil/Endicott Library and Clinic
- Painting of Vischkuil/Endicott Hall
- Furniture for all libraries purchased.
- Bulk filing system

ICT Equipment (Hardware):

- ICT and office equipment purchased.

ICT Licenses and Maintenance:

- SIRSI System
- Symphony Licenses (18)
- Enterprise Software e-Resources

Training/Capacity Building Of Personnel:

- 6 X Library Assistants were trained to improve service delivery. (NQF Level 4)
- Library and Information User Services
- General Library Management
- 10 Staff Members attended the Establishment of book clubs
- Mzansi online Training provided by Bill Gates Foundation

Jungle Gym and Holiday Program Material:

- Jungle Gym at Kwa Zenzele Modular Library
- Material for Library Programs (see Programmes)

Library Programs 2017/2018

1. Events: (Celebration of National and International Days)

1.1 Mandela Day Celebrations

The Yarn Along Program at Vischkuil Library, established in 2012, made ponchos and scarves which were donated to the children in the community. In 2017 the Yarn Along program was extended to Jameson Park and the Ratanda Proper libraries, resulting in three libraries that took part in the program. Vischkuil Library issued blankets to the older female citizens in community while the older male citizens got scarves and beanies. Jameson Park Library issued blankets, beanies and scarves to the community and Ratanda Proper library issued blankets to the elders at the local Old Age Home and had a celebration with the kids in the community.

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1. 2 Valentine's Day Celebration

Valentine's Day Celebrations were held at Ratanda Proper Library whereby the participants were taught about card making and painting.

2. Community Outreach Programs

2.1 National Children's Theatre

In collaboration with the National Children's theatre, primary school children enjoyed a theatre production show that took place at Jameson Park Hall as well as the Ext 23 Hall. The aim of the program was to expose children to a theatre play production.

2.2 Integrated Fun Day- "Arts Alive"

The Lesedi Local Municipality Libraries collaborated with the Department of Sport, Arts, Culture & Recreation in the hosting of an Integrated fun day. An Arts alive event was hosted on the 27th January 2018 at Ratanda Multipurpose hall. A total attendance of approximately 600 participants which were made up by adults and children in the community, was achieved.

2.3 Cotland's Community Outreach program

In collaboration with Cotland Toy Library, an outreach program was held at Heidelberg library in March 2018. The program aimed at teaching ECD Teachers/Practitioners on how they can use toys to teach children. They went through the whole training and at the end received accredited certificates.

3. Holiday Programs: (School Holidays)

The aim of Holiday Programs is to keep children occupied during school holidays. The objective of the programs was to explore their individual craftsmanship and self-expressing, through a writer's workshop.

Christmas Programs

Library	Number of participants	Number of participants
• Kwa-Zenzele	- 30	- 36
• Ratanda	- 26	- 25
• Ext 23	- 31	- 0
• Ext 7	- 25	- 30

Easter Programs

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Usage of Lesedi Libraries:

2017/2018

EXTERNAL USERS

Annual new membership;	1445
Book circulation;	34319

INTERNAL USERS:

Reference Users;	19126
Students and Learners;	23794
ICT users;	11102

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	2016/17	2016/17	2017/18		
		Target	Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service objective: Providing of Sports, Recreation, Arts, Culture and Library Services						
Access to library and information services	Books, Audio visual material, Newspapers, Periodicals	37000	34319	37000	37000	40000
	Number of New members	1474	1445	1474	1200	
	Number of Internet Users	4422	11102	4422	20000	
	Implementation of library programs	102	259	280	280	
Provision of amenity services	Halls availability %	100%	100%	100%	100%	
	Sport Facilities availability %	100%	100%	100%	100%	
Creation of Jobs through EPWP	Parks & Cemeteries	55	55	55	55	

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Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	95	95	95	0	0	0%
7 - 9	25	25	25	0	0	0%
10 - 12	16	17	16	1	6%	
13 - 15	2	2	2	0	0	0%
16 - 18	1	1	1	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	139	140	139	1	1	1%

Financial Performance Year 2017/18: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4596	8173	10506	10657	23%
Expenditure:					
Employees	6264	6706	6706	7154	6%
Repairs and Maintenance	722	500	0	231	-116%
Other	2581	1004	1123	2907	65%
Total Operational Expenditure	9567	8210	7829	10292	20%
Net Operational Expenditure	4971	37	-2677	-365	110%

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Capital Expenditure Year 2017/18: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Capital Projects	Year 2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3057	5589	4827	37%	
Project A	1390	1500	1348	-3%	
Project B	60	30	44	-36%	
Project C	1500	1979	1724	13%	
Project D	0	350	352	100%	
Project E	107	810	648	83%	
Project F	0	390	353	100%	
Project G	0	530	358	100%	

3.13 CEMETERIES

A cemetery is defined as a place for the burial of dead human bodies, other human remains, or a place in which either dead human bodies or other human remains have been buried. Once a burial had occurred, the owner of the land on which the burial has taken place, takes on, a minimum of three obligations for:

1. Good order (record keeping) and repair;
2. Ensuring adequate drainage system; and
3. Fencing.

If these obligations are not met, the owner of the land can be prosecuted and fined. These obligations are perpetual in nature, so anyone considering burying any human body or other human remains, should consider very carefully the implication of the actions, as by so doing, the owner may very well have established a cemetery and by so doing, have accepted a never-ending liability a never-ending liability or obligation

Lesedi Local Municipality maintains ten different cemeteries of which five are still operational. This includes two sub-regional cemeteries namely: Ekuthuleni in Ratanda and Ekuphumuleni, Devon and Vischkuil. The municipality is providing grave facilities in accordance to different religion e.g. Muslim, Hindu, protestant, Jewish etc.

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The graves are prepared in advance and in accordance to dimensions laid in the cemetery establishment guide. Tombstones are erected subject to approval by municipality in terms of cemetery by-laws. Active cemeteries are being regularly maintained by parks section and passive one are maintained on certain intervals. Cremations are conducted out of the area but in the neighbouring towns.

Cemetery register is updated weekly and the data is recorded/captured both manually and electronically. Information in terms of the internment is made available without any costs on request to family members. Graves are provided to the indigents families but policy procedures has to be followed.

Cemeteries and Crematoriums Policy Objectives Taken From IDP						
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2016/17		2017/18		
		Estimate	Actual	Estimate		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Provision of Graves						
	Burials	783	800	783	631	631
	Permits issued: Tomb Stones	277	270	270	101	101
Upgrade Cemeteries	Internal Roads, Ekuthuleni %	40%	40%	40%	40%	40%

Employees: Cemeteries and Crematoriums						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	28	28	22	4	14%	
7 - 9	8	8	8	0	0%	
10 - 12	2	2	1	1	50%	
13 - 15	0	0	0	0	0%	
16 - 18	0	0	0	0	0%	
19 - 20	0	0	0	0	0%	
Total	38	38	31	5	13%	

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Financial Performance Year 0: Cemeteries and Crematoriums					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1381	1456	1578	1474	1%
Expenditure:					
Employees	2468	2974	2974	2830	-5%
Repairs and Maintenance	0	23	23	2	-1050%
Other	486	636	623	369	-72%
Total Operational Expenditure	2954	3633	3620	3201	-13%
Net Operational Expenditure	1573	2177	2042	1727	-26%

Capital Expenditure Year 2017/18: Cemeteries and Crematoriums					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1500	195	0	0%	
Project A	1500	195	0	0%	

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3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Social Development Services:

Social Services rendered are divided into Case Work and Community Development Work. It must be noted that Social Development Services rendered at Local Authority level is Non Statutory.

Social services are provided to the broader community residing in Lesedi. These services include aspects such as neglect, accommodation, capacitation, safety and referral to other registered organizations in cases where the Council do not have the capacity to assist.

1. Family Support which include services such as:

- Pre and Marital Problems
- Family
- Divorce
- Legal Aid
- Material Assistance/Unemployment
- Indigent Burials
- Pauper Burials
- ID Applications
- Gender Based Violence

2. Children

- Child Welfare
- Facilitate Maintenance and Child Support Grants
- Orphan Programme
- Early Childhood Development and Child Protection

3. Care of the aged

Facilitate application for Social Grants

Application of old age home for those in need

Luncheon Clubs: Ensure balanced meals, physical exercise, recreation and outings

4. Care for the People living with disabilities.

- Facilitate applications for Disability Grants
- Awareness programs
- Protective workshop: Ensure balanced meals; recreation, handwork and craft

5. Local Drug Action Plan.

LDAC's were handed over to Municipalities by Gauteng Social Development, (Province) at a Section 80 Health & Social Development meeting held on 16 February 2018, at Sedibeng.

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Inspections at Child care facilities are mainly conducted by the Environmental Health Section and Health Reports/Certificates issued to premises complying with legislative requirements.

During the inspections it is noticed that Social Services or any other type of support is needed, then assistance is requested from relevant departments/sections. A Toy Library has been availed by NDA (National Development Agency).

Early Childhood Development (ECD) Service:

The LLM has adopted the motto of “Lesedi shining the light for the future of our children”, and the following are the strategic goals developed.

- Improve access to quality early childhood development.
- Ensure compliance in all centres with the health and safety requirements.
- Institutionalize Early Childhood Development Programmes.
- Develop sustainable partnerships and stakeholder relations for resource mobilization.

Actions Implemented to Increase Access to ECDs.

Open Days:

The purpose is to sensitize the community around the importance of registering children aged 0-5 in ECD sites and with Day Mothers, where they will be stimulated to get ready to start Grade R.

DAY MOTHER PROGRAMME

From the keen interest shown during the ECDs open day, the following served as outcomes:

Nine (9) day mothers are operating in Impumelelo, Devon, two (2) in Vischkuil, four (4) Ratanda and four (4) in Ratanda Ext 23 and 26. The nineteen (19) day mothers started receiving stipends from the municipality budget effective from October 2017 and they have been registered under the Social Sector of the EPWP Programme for annual funding.

SOURCING OF DAY MOTHERS

Day mothers were sourced through the Ward Councillors in wards 2, 5 and 6, that had most children not accessing ECD sites.

Handover of Day Mothers to Gauteng Department of Social Development (GDSD)

A memorandum of understanding was signed between Gauteng DSD and Hollard Trust to facilitate the process of registration in order for day mothers to ultimately receive funding from the department.

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TRAINING CONDUCTED TO IMPROVE QUALITY OF LEARNING AND TEACHING

- **Smart Start Training – (Outstanding Wards and Day mothers)**
- **Principals' induction-** Conducted to 15 ECD's to understand how the training will benefit their ECD sites and to be able to monitor their practitioners after the training.
- **Matching day –** This process is done to check if the practitioners are compatible to work with children and they are checked for any criminal activities and mishandling of children. 25 Practitioners and 41 day mothers attended the matching day assisted by Harambee. **Training-** 22 practitioners and 14 day mothers were trained.

Workshop Awareness on Norms And Standards

GDSD together with the LLM ECD team, Environmental Health, Social Development, Building Directorate and Development and Planning conducted a workshop for the registered and unregistered ECD's on the norms and standards for running an ECD site. 86 practitioners attended and they were encouraged to be the watchdog of the municipality regarding the mushrooming of ECD's.

NATIONAL CURRICULUM FRAMEWORK FOR ECDs TRAINING

The training was conducted by the Department of Education for ECD Practitioners. NCF provides guidance for those developing programmes and working with babies, toddlers and young children from birth to four. The NCF promotes a holistic vision of ECD which pays attention to:

The first 1000 days which are the windows of opportunities for interventions before birth and the first two years of life after birth; and the third and four years of life and the time before the child enters primary school. The NCF therefore focuses upon the child from before birth up to the time they enter Grade R. 41 Practitioners attended the training and it was an eye opener to those who did not have any ECD qualification and they will be in a position to start implementing what they learnt.

3. Facilitation of compliance with Health and Safety requirements

Out of the Gap Analysis conducted by Hollard Trust (Kago Ya Bana), 21 centres were assisted for infrastructure upgrading (**second phase**) which focus on the requirements for compliance in terms of the Health and Safety standards. The upgrading entailed the following:

Installation of windows, gates, fences, toilets and potties. Local contractors were appointed for the construction and other infrastructure requirements.

All the upgraded ECD's are now compliant and ready to apply for the registration with the Provincial departments of Health and Social Development for subsidies.

Chapter 3

The Second phase of ECD's renovated through assistance from Hollard Trust are as follows:

1. Ratanda Thandisizwe
2. Disney
3. Little Beginnings
4. Tiny Tots
5. Impumelelo
6. Gugulethu
7. Rea Hola
8. Successful
9. Mbuso Musha
10. Thuto KE Lefa 1
11. Thuto Ke Lefa 2
12. Landulwazi
13. Itumeleng
14. Zamani
15. Cool Catz
16. Tholulwazi
17. Maria Mosito
18. Rebecca Msomi Day mother
19. Tshepo Themba
20. Sonto Mavuso Day Mother
21. Thandi Skhosana

Workshop on Early childhood intervention

The Department of Health has a big responsibility for Early Childhood Intervention through identification of children with developmental challenges and treatment thereof. The workshop targeted ECD principals and all interested practitioners. The attendees received informal, interactive training from Health Care Professionals at Heidelberg Hospital regarding early identification of “challenges” in children and appropriate referral procedures. The total number of 49 participants attended the workshop.

ECD POLICY DIALOGUE

The dialogue was initiated by SALGA Gauteng and the aim was to create an awareness as well as discuss the importance of investing on Early Childhood Development. Invited were municipalities in Gauteng, Unicef, Hollard Trust and GDSD. Discussions came from the National Integrated ECD Policy and the objective were as follows;

- To enhance the understanding of the policy which was presented to the group by the National DSD.
- Understanding the role of Local Government in ECD.
- Sharing of best practices on ECD
- Discussions on the development of Standard Operating Procedures and the process thereof facilitated by SALGA.

Chapter 3

DONATIONS TO CREATE AN ENABLING LEARNING AND TEACHING ENVIRONMENT FOR DAY MOTHERS

CWP donated resources for Day Mothers to make their sites to be homely for children who mostly come from disadvantaged areas and parents can only afford to pay minimal fees which only cater for food and day mother salary.

HIV & AIDS SERVICE

INTRODUCTION

Lesedi HIV & AIDS Multi Sectoral Strategy is ward based in approach with a vision of providing a safe environment for all to initiate and sustain HIV & AIDS Programmes and interventions that are aimed at preventing new infections; eliminating stigma and discrimination; improving the lives of people living with HIV and supporting the affected families. The mission is to support, promote and provide sustainable needs-driven and evidence-based and output oriented programmes that are accessible and affordable.

The Multi Sectoral Strategy is underpinned by the following goals:

- To reduce new infections by at least 50%
- To ensure that 80% of all people who need ante retroviral treatment actually do get it
- To reduce the number of new TB infections and deaths caused by TB by 50%
- To ensure an enabling and accessible legal frame work that protects and promotes human rights.
- To reduce stigma related to HIV & TB

INTER-SECTORAL AND INTERDEPARTMENTAL COLLABORATION

There is an Inter-sectoral & Interdepartmental collaboration to strengthen partnership with other stakeholders which are:

- Victim Empowerment Centre (a unit for sexual related victims at the SAPS)
- Correctional Services (Education & Awareness for Staff & inmates)
- South African Police Services (Education & Awareness + Gender Based Violence)
- Home Affairs (Identity Documents & Birth Certificates for Grant Applications)
- Health (NGO Funding, Nutrition, Clinics & Hospital Services)
- Education (Schools)
- Social Development (NGO Funding and Social Services)
- South African Social Security Agency – SASSA (Social Grants)
- Cross-cutting Unit (Gender, Youth, Disability, Elderly & Children)
- South African National Defence Force (Education & Awareness)
- Faith Based Organisations (Moral regeneration, promotion of abstinence, spiritual counselling & leading the Candle Light Events)
- Traditional Healers (Education, Awareness & referral to health facilities)

Chapter 3

- Men's Forum (Mobilisation of men for Reproductive Health & action on Gender Based Violence)
- Non-Governmental Organisations (Various services)

LESEDI AIDS COUNCIL

The Lesedi Local AIDS Council is fully functional. The Executive Mayor presides during quarterly meetings attended by different stakeholders. Progress Reports and other presentations are being made during these meetings. The AIDS Council has further engaged in outreach activities beyond quarterly meetings and all activities are 4 in total. (1 per Quarter)

WARD BASED EDUCATORS

We have 35 Ward Based HIV& AIDS Educators within the Lesedi Local Municipal Area and they work at 13 Wards which have been arranged into clusters. Cluster 1 (Wards 1 – 4, 9 & 10); Cluster 2 (Wards 5 & 6); Cluster 3 (Wards 7, 8 & 11); Cluster 4 (Wards 12 & 13). Each Cluster has a Supervisor for monitoring purposes. Sedibeng AIDS Directorate has contracted The Fort (Local NGO) for a period of 3 years (2016 – 2019) to take care of Ward Based Educators in terms of administration, monitoring, support and payment of stipends. The Ward Based Educators receive a monthly stipend of R2 500.00 and Supervisors R3 000.00 respectively.

The Ward Based Educators are responsible for:

Mobilizing & strengthening all sectors within wards for the integrated & coordinated implementation of HIV& AIDS Programme

Implementing & hosting of all HIV& AIDS related national & international events in the wards

Ensuring regular HIV& AIDS awareness campaigns including door to door campaigns

Identifying problems within wards & performing a referral function to various local service providers e.g. Clinics, NGO's, Social Services and Home Affairs etc.

Ensuring effective co-ordination of ward structures for participation in the Local AIDS Inter-sectoral Forums

Ensuring the regular distribution of Condoms & Information, Education & Communication (IEC) material to the community.

12 Events were implemented during 2017/18 in terms of the Health Calendar and other activities.

Chapter 3

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP						
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2016/17		2017/18		
		Target	Actual	Target	Actual	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective: Render Social Services to the Community of Lesedi						
Improve access to ECD services	Day Mothers Established	9	9	9	21	21
Indigent & Pauper Funerals	Provide Indigent funerals to households that qualify	100% applications received	100% applications received	100% applications received	100% applications received	100% applications received
	Provide Pauper Funerals: Request from Forensic Laboratory	100% applications received	100% applications received	100% applications received	100% applications received	100% applications received
	Elderly and Disabled Educational & Awareness Programs	100% of budgeted programs	45% (Financial Constraints)	100% of budgeted programs	100% of budgeted programs	30% (Financial Constraints)
	Job Creation Funded by Council	11	11	11	21	21
	EPWP: Parks & Cemeteries	55	55	55	55	55
HAST	Aids Council Meetings	4	4	4	4	4

Chapter 3

Employees: Child Care; Aged Care; Social Programmes						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	0	0	0	0	0	0%
10 - 12	5	5	5	0	0	0%
13 - 15	3	4	3	1	25%	
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	8	9	8	1	11%	

Financial Performance Year 2016/17: Child Care; Aged Care; Social Programmes					
Details	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	248	0	0	0	0%
Expenditure:					
Employees	1886	2419	2801	2530	4%
Repairs and Maintenance	0	60	17	2	0%
Other	266	1660	1568	138	-1103%
Total Operational Expenditure	2152	4139	4386	2670	-55%
Net Operational Expenditure	1904	4139	4386	2670	-55%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.14.5

Chapter 3

Capital Expenditure Year 2017/18: Child Care; Aged Care; Social Programmes					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total NONE	0	0	0	0%	
Project A	0	0	0	0%	
Project B	0	0	0	0%	
Project C	0	0	0	0%	
Project D	0	0	0	0%	

Due to all functions listed are basically within Provincial (Social Development) competency, no provision for capital budget has been done by Local Authority.

COMPONENT E: ENVIRONMENTAL PROTECTION

Environmental health services partially play a role with regard to pollution control. The main focus areas are land -, water - and air quality control within the scope of Environmental Health. Over and above the mentioned areas, this section is also responsible for medical waste management whereby it is ensured that all medical waste generators in Lesedi (clinics -, hospitals -, veterinary services -, and general practitioners premises) comply with the Gauteng Provincial Health Care Regulations.

- The Highveld Priority Air-shed Plan, of which Lesedi is included has been finalised.
- All complaints relating to pollution control (air, noise; land; water and medical waste) were attended to.

Chapter 3

3.15 POLLUTION CONTROL

Lesedi has been included in the Highveld Priority Air-shed Area to address air pollution. Even though Lesedi does not have large industrial area that can impact negatively on the air quality, we do experience a negative impact on air quality due to cross boundary pollution.

An Air Quality Management Plan has been developed by the Highveld Priory Area and the municipality is subjected to develop a local Air Quality plan based on local challenges.

Vehicle emissions also contribute negatively on-air quality, especially from heavy vehicles transporting goods on the N3 to and from Johannesburg and Kwa Zulu Natal. This matter will be addressed in the Local Air Quality Plan.

Environmental pollution as well as environmental protection is done by means of identifying the source of pollution and treating/addressing the cause.

This section also ensures that all medical waste generators comply with Medical Waste Regulations and that the medical waste service providers are contracted to dispose the waste. Illegal dumping is dealt with by both Environmental Health and Waste section by means of clearing the illegal dumping sites and conducting health education programmes

Pollution Control Policy Objectives Taken From IDP						
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2016/17		2017/18		
		Target *Previous Year (iii)	Actual (iv)	Target		Actual *Current Year (vi)
		*Previous Year (v)	(vi)	*Previous Year (v)	*Current Year (vi)	(vii)
Service Objective xxx						
Water and air purity	Bacteriological Water Samples compliant	100%	100%	100%	100%	99%

Chapter 3

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

1. Tree Trimming and Felling Project in Bergsig

Highlights & Actions

- Commencement of the project was resumed over weekends with effect from **21/10/2017**; the rationale behind for embarking on weekend activities was to serve as a mitigation plan due to tripping electricity and disturbance of streetscape coverage a result of trees overhanging power lines.
- To date the project covered various streets and below are the street names inclusive of the number of trees cut and pruned:

Protea Street: (21) trees; Dalilah Avenue: (4); Tulpe Avenue: (36); Krisant lane: (17) and Begonia Avenue : (4)

Total number of trees cut: 82

1.1 Tree Trimming and Cutting in Ratanda and Surrounding Extensions

Total number of trees cut: 34

2. Plant Collection Project for the Nursery

Formal permit for collection as per request made in order to increase nursery mother stock plants was granted by GDARD.

3. Upgrading of Lesedi Main Entrances

Landscaping development of new flower beds initiated and commenced at Obed Nkosi, entrance into Heidelberg Rd.

4. DEVELOPMENT OF FLOWERBEDS ON THE CIVIC BLOCK

Total numbers of **8 new flower beds** were developed around Civic Centre Building. This is a water conservation project.

GENERAL MAINTENANCE AS PER MAINTENANCE PLAN

Grass cutting and picking.	Grass cutting and disposal activities were conducted in Heidelberg, Vischkuil, Devon Sports Field, and Devon Offices. Shalimar, Bergsig, Ratanda Job Creation Centre, Ext:23, Ratanda Office, Ext:23 Hall, Extension 7 entrance,
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Chapter 3

	Rensburg, Overkruin, Shalimar, Heidelberg, Vischkuil, Aston Lake, Devon Sports Field, and Devon Offices. The routine maintenance was done as per schedules with deviations due to unfavorable weather conditions.
Weeds control on roads and sidewalks.	Activities were conducted in Ratanda, Rensburg, Overkruin, Bergendal, and Devon Offices.
Cultivation and laying of flower beds.	Edging and laying flowerbeds were conducted at Civic Centre building in Heidelberg Town and Devon Offices.
Plants after care (Tree Pruning and Felling)	Tree pruning activities were done in Bergsig, Overkruin, Rensburg, Jordaan Park and Blesbok Street.
Weed spraying.	Control activities were conducted in Ratanda main roads, Municipal offices, Bergsig, Devon Sports Ground, Overkruin, Bergendal, Jameson Park, Boschoek substation Ext: 7, Ext: 4 substations.
Beautification of Ratanda Site Inspection and Water Week Celebration	Formed part of DEA Social Responsibility Programme in preparation of the official handing over the Park developed for Beautification of Ratanda and Water Week Celebration.
Invader plant clearing project	<ul style="list-style-type: none"> The project was shifted to Rensburg to clear up a stream running along DF Malan-, Vrede - and Roets streets due to high infestation and illegal activities taking place behind the bushes. Another team was deployed to Aston Lake.
Upgrading of Lesedi main entrances	The project has expanded to the Army entrance at Jacob Mare Street. Soil preparation and laying of stepping stones is complete and to date preparations of rock laying is on. Continuation of Khanyile project will resume once grass cutting project has lapsed.
Tree planting and greening project.	The project commenced at Obed Nkosi where 122 trees donated by Daff were planted, the roll out of the project is expected to take place in September during which 2000 fruit trees will be planted.
4. Alien Plant clearing project	As part of Dea's Field Ranger Learnership programme, clearing activities of Black Wattle is on at Bergendal

Chapter 3

Total number of burials for the (5) active cemeteries.	<ul style="list-style-type: none"> • 631
Total number of tombstone permit issued.	<ul style="list-style-type: none"> • 71
Environmental awareness campaigns	20 Trees were donated and planted at various schools in the area.

Monitoring of Red Data Species in Lesedi:

Five localities of *Khadia beswickii* occurring at Jameson Park as well as localities of *Nerine gracilis*, *Kniphofia typhoides* and *Gladiolus robertsoniae* occurring at Devon are monitored on a three-monthly cycle in collaboration with the Red Data Co-ordinator, GDACE.

The new locality of *Nerine Gracilis* was discovered through GPS co-ordinates in the area conducted by GDARD to ensure that it is protected.

Three *Chortolirion* species, *Orbea cooperi* and *Crassula corallina* growing in the Lesedi area are monitored by GDARD to avoid depletion.

Capital Expenditure Year 2016/17: Bio-Diversity; Landscape and Other						R' 000
Capital Projects	2016/17					R' 000
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All NONE	0	0	0	0%		
Project A	0	0	0	0%		
Project B	0	0	0	0%		
Project C	0	0	0	0%		
Project D	0	0	0	0%		

Chapter 3

COMPONENT F: HEALTH

Primary Health Care

Note: Recent legislation includes the National Health Act 61 of 2003.

Primary Health Care is the competence of Gauteng Health Department

Chapter 3

3.17 CLINICS

Primary Health Care services competency of Province.

Chapter 3

3.18 AMBULANCE SERVICES

Ambulance services competency of Province.

Chapter 3

3.19 Health Inspection; Food and Abattoir Licensing and Inspection

Municipal Health Services (Environmental Health Services) is rendered on an agency basis on behalf of the Sedibeng District Municipality by means of a Service Level Agreement as from 1 July 2004.

The service is funded by National Treasury through the different Government structures.

The main functions rendered by this section are the following:

- Monitoring of Water Quality
- Food Safety and Hygiene monitoring
- Waste Management and general Hygiene monitoring
- Surveillance of premises (Ventilation; Moisture proofing; Structural Safety etc.
- Communicable and Environmental related Disease Control and Monitoring
- Vector Monitoring and Control
- Environmental Pollution control
- Disposal of the Dead: Paupers; Cemeteries; Funeral Undertakers etc.
- Chemical Waste: Radiation, Safe Energy-use & transportation of radioactive Waste
- With the inception of the New National Health Act, Act 61 of 2003, the following Provincial

Functions have been delegated in terms of the mentioned Act, to Local Authorities from February 2012 without any additional resources: All Government Buildings, including Provincial schools, Police Stations, Mortuaries, Forensic laboratories, hospitals and Correctional Services.

It must be noted that the Health Department is not responsible for the licensing of any food premises or abattoirs. A Certificate of Compliance is issued to premises that comply with the minimum Health Requirements regulated by the regulations Governing General Hygiene Requirements for food Premises and the Transport of Food. GN 20318 dated 30 July 1999. (R 962)

EDUCATION AND AWARENESS PROGRAMMES

LESEDI ENVIRONMENTAL AWARENESS & EDUCATION FORUM

Chapter 3

The Forum was established in September 2016 and is functional.

Wetland Rehabilitation projects

- Clean up campaigns
- Upcoming capacity building and training programmes
- Tree planting programmes (quantifying numbers of trees planted)
- Upcoming ad-hoc Environmental Calendar Celebration
- Water saving initiatives or projects

Waste Management

- Street Cleaning Projects if available
- Projects from on Landfill sites status quo and recycling initiatives or activities
- Deliberate on Challenges experiences by the Municipality and assist through interventions or solutions based on best practices were necessary.
- To make people from all works aware of specific issues related to the surroundings including living or non-living elements, e.g. land , soil, water and other humans as well as awareness of their built, Social and economic surrounding and the impact of our actions on the environment.

2017/2018 AWARENESS AND EDUCATIONAL PROGRAMMES

Arbor Day Celebration: 8 September 2018

World Food Day Celebration: 17th of October 2017.

World Toilet Day Celebration: 30TH November 2017

National Water Week Celebration: 23rd of March 2018

National Sanitation Week Celebration: 31st May 2018.

Chapter 3

World Environment Day Celebration: 7th June 2018

The planting programme commenced with public engagement on the importance of trees covering Environmental, Economic, and Health and Social benefits of trees. The programme was coordinated with the assistance of young emerging local Field Ranger Students (21 in total) under the Department of Environmental Affairs EPIP Skills programme. In total participants were split into 5 groups each with 2 coordinators guiding the planting programme at Obed Nkosi Proper, Obed Nkosi Phase1 and Obed Nkosi Phase 2.

Plant Species Planted	<ul style="list-style-type: none">• <i>Searsia lancea</i> (Common Karee tree).• <i>Searsia Pendulina</i> (White Karee Tree).• <i>Olea europaea. subsp. Africana</i> (Wild Olive).
Total Number of trees	<ul style="list-style-type: none">• 122 (40 liters plant species).
Areas covered	<ul style="list-style-type: none">• Obed Nkosi Proper = 36 Trees.• Obed Nkosi Phase 1 = 52 Trees.• Obed Nkosi Phase 2 = 34 Trees

ENVIRONMENTAL HEALTH PROGRAMMES

UNREGISTERED ECD's NORMS AND STANDARDS PRESENTATIONS

The Norms and standards presentations to all unregistered ECD's was held at Heidelberg Town Hall on the 23rd of February 2018.

REGISTERED ECD's NORMS AND STANDARDS PRESENTATIONS

The Norms and standards presentations to all unregistered ECD's was held at Heidelberg Town Hall on the 23rd of April 2018.

HEALTH PROMOTION IN SCHOOLS

Health promotion presentations were conducted at Lethabo Siyanqoba Primary School in Ext 23, Heidelberg on the 12 March 2018.

INITIATION SCHOOLS

Chapter 3

INITIATION SCHOOL ROAD SHOWS AT SECONDARY SCHOOLS

Initiation schools are regarded as cultural educational institutions where initiates are taught the values inherent in social responsibility, discipline and acceptable conduct, as well as more about their culture in these communities. The values filtered down to younger boys and girls as they grow into manhood and womanhood are critical to their social and psychological development in the middle stage between childhood and adulthood

A resolution was passed by the CRL that no Initiation Schools will be allowed to function up to December 2018. (The Commission for the Promotion and Protection of Rights of Cultural, Religious and Linguistic (CRL Right Commission) is a Chapter 9 Institution established in terms of section 181 of the Constitution of South Africa).

Even though the decision was taken, Lesedi Local Municipality still encountered people opening Initiation Schools illegally.

The Lesedi Local Municipality Environmental Health Practitioner together with the Sedibeng initiation monitoring team visited different Secondary Schools around Ratanda to inform the learners about the CRL decision as well as the findings of the CRL at Initiation Schools.

Ratanda Secondary School (20/04/2018) and

Khanya-Lesedi Secondary School (23/04/2018)

Learners from grade 8 to 12 were educated/informed about the findings and problems at initiation schools and they were given copies that was released by CoGTA regarding the initiation schools.

Findings were:

- Mushrooming of unregistered initiation schools
- Initiation schools run by 15 years olds
- Violence, murder, rape and assaults
- Abductions
- Extortion
- Illegal Occupation of land
- Some of the initiation schools have turned into heaven for criminals

The team managed to reach a total number of two secondary schools out of four secondary schools in Ratanda

Chapter 3

ILLEGAL INITIATION SCHOOLS 2017

5 Illegal initiation school opened.

Lanzeekoeigat FARM (NIGEL) 23/05/2018: 8 Initiates

Maraisdrift 11/05/2018: 7 Initiates

Endicott 17/05/2017: 8 Initiates

Lanzeekoeigat Farm (NIGEL) 17/05/2018: 12 Initiates

DEVON 24/05/2017

Total number of initiates 107

No case of Assaults and Abduction were open

ILLEGAL INITIATION SCHOOLS 2018

31/05/2018

Kwa Zenzele: 5 Initiates

25/06/2018

Ratanda: 3 Initiates

Illegal Initiations Schools were closed with the assistance of GoGTA and SAPS and children were collected by parents.

FOOD SAMPLING

Due to the outbreak of Listeriosis, food sampling runs were implemented at all food premises and food processing plants. EHP's dispersed to all food premises within Lesedi to recall all Enterprise and Rainbow products from the shelves as per Ministers request. Health education was done at all food premises regarding the 5 key elements of hygiene ensured that all surfaces were disinfected. Total of 67 food samples were tested for Listeriosis.

No positive cases were reported in Lesedi.

Chapter 3

On the 17th of May the National (NICD) office descended to Lesedi Local Municipality with the intention of conducting an Audit at Eskort Premises. Environmental Swabs were taken at the premises and was later send to the lab for analysis. Still awaiting results.

Number of Food Samples Listeriosis: 69 Samples

Water Samples: Blue Drop Compliance: 260

Number of Environmental Health Inspections: 6210

ENVIRONMENTAL HEALTH AUDIT: JANUARY 2018

The National department of Health conducted an Audit on MHS KPA's as per Norms and Standards during January 2018. The Audit took place at Sedibeng District Municipality.

The findings were as follow:

1. There are no approved, standardized type signboards available at the service centers which indicate as to who the responsible authority is, what services are rendered as well as office hours.
2. The Sedibeng district falls short by a big margin in terms of compliance with the national staffing norms for MHS
3. Standardized checklists indicating all risk factors for all premises and areas are not available across the district (Individual checklists or inspection lists based on Norms and Standards per Local Authority were available but not standardized)
4. There is no standardized Cholera monitoring plan available in the Sedibeng district
5. Environmental Health Practitioner's (EHP's) are not trained as Peace Officers and are not appointed by the Executive Mayor (in terms of the National Health Act) as Health Officers.
6. There is no legal system in place to monitor law enforcement activities undertaken by EHP's across the District
7. One standardized pest control plan needs to be developed and approved for the SDM
8. All documents needs to be standardized and should be issued by the responsible authority which is the SDM. The opinion is held that any such documentation cannot be issued in the name of the local municipality alone who renders MHS as agent for the SDM. The SDM remains the accountable authority for the rendering of MHS
9. The SDM should ensure that the local municipalities (as the appointed agent) are legally authorized in terms of the National Health Act, Act 61 of 2003, to render the service on behalf of the SDM.

Chapter 3

Employees: Health Inspection and Etc					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	3	3	3	0	0
13 - 15	2	2	2	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	6	6	6	0	0

Financial Performance Year 2017/18: Health Inspection and Etc						
Details	2016/17	R'000				
		Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	Total Operational Revenue	3817	5622	5622	3478	-62%
Expenditure:						
Employees	5062	5022	4627	4621		-9%
Repairs and Maintenance	0	92	49	12		0%
Other	282	494	405	272		-82%
Total Operational Expenditure	5344	5608	5081	4905		-14%
Net Operational Expenditure	1527	-14	-541	1427		101%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.19.5

Environmental Health Services, is a pro-active service, striving to prevent any negative health impact. The main objective of the service is to provide a safe and healthy environment to the residents. The service is rendered on behalf of Sedibeng District through Service Level Agreement for funding.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

3.20 TRAFFIC

INTRODUCTION TO SECURITY & SAFETY

TRAFFIC

Lesedi Traffic department's service is aligned to the National and Gauteng Crime Prevention Strategy. Traffic policing centre on all activities which reduce, deter or prevent the occurrence of all accidents by:

- ensuring effective and efficient law enforcement,
- providing supportive traffic control services with the vision to secure a safe road environment where the community can confidently use all roads in Lesedi municipality without fear for damages, injury or death, and
- monitoring of relevant road infrastructure as well as strategic interventions where and when necessary.

The fundamental duties of the traffic section is to ensure the free flow of traffic, control at accident scenes as well as ensuring compliance to traffic legislation.

During 2017/2018, joint road blocks were held with SAPS and different Provincial Traffic Departments. Road safety promotion campaigns were conducted at schools and in the community. Social Crime Prevention campaigns were held jointly with Gauteng Department of Community Safety, Department of Education, Correctional Services, Sedibeng District Municipality Community Safety, SAPS and CPF's, targeting school safety, drug abuse, Crime Prevention through Environmental Design, 16 Days of Activism and Youth Crime Prevention.

The Traffic Law Enforcement Plans were implemented and the set targets were met. A number of joint operations (Road Side Check Points) were also conducted with other relevant enforcement agencies.

The following are primarily the main contributors to traffic related crimes:

- Driving under the influence of alcohol.
- Speed offences
- Barrier lines
- Driver fitness
- Vehicle fitness

Chapter 3

Documentation (No driving licence, licence discs, etc

Law enforcement operations

The following is the breakdown of law enforcement activities conducted during 2017/2018:

ACTIVITY	ACHIEVEMENTS
Roadblocks	14
Joint Operations	26
Speed Fines	130 992
Sect 56 notices	1138

Traffic Escorts

Traffic escort are conducted by the traffic department to minimise traffic delays and unnecessary congestions. The department developed the deployment plan where Traffic Officers are strategically deployed to assist with traffic control for Funeral escorts, especially on Saturdays. Abnormal loads were escorted through the town with a total of 55 heavy duty trucks assisted

Community Safety Forum(CSF) Programmes

The total number of CSF campaigns conducted were 15 and this include Social Crime Prevention programmes that were held jointly with Gauteng Department of Community Safety, Department of Education, Correctional Services, Sedibeng District Municipality Community Safety, SAPS and CPF's, targeting school safety, drug abuse, Crime Prevention through Environmental Design, 16 Days of Activism and Youth Crime Prevention.

School Safety

The traffic department assisted the schools with the training to conduct scholar patrol activities as part of the Community Safety Forum programme. This is undertaken to promote school safety by educating school children about safety aspects when doing scholar patrol activities. All 13 primary schools around the municipal area were trained.

School Talks/ Dialogues

This is the programme that was held with different schools around Lesedi with the following objectives:

Chapter 3

- To enhance the positive development of learners and the whole school community by encouraging learners to refrain from drugs and alcohol abuse and increase wellness and facilitate adoption of healthy lifestyles.
- To increase awareness on road safety and sensitise learners about bullying as well as other pertinent crime patterns around the schooling environment.

Public transport awareness programmes

The purpose of the programme is to advance road safety awareness initiatives around public transport facilities (Taxi Ranks) and also encourage public transport providers about the importance of providing a safe and more affordable, accessible and reliable transport system to communities in order to improve the economy. Part of this programme is to visit the malls to raise awareness in terms of prevalent crimes and mugging of community members after shopping.

Social Crime Prevention Initiatives

The traffic department in conjunction with SAPS and Gauteng Liquor Board embarked on initiatives that were aimed at dealing with social crime related issued. Operations were undertaken to ensure compliance to legislation of all the liquor outlets. Punitive measures were taken against all illegal taverns.

Public transport awareness programmes

The purpose of the programme is to advance road safety awareness initiatives around public transport facilities (Taxi Ranks) and also encourage public transport providers about the importance of providing a safe and more affordable, accessible and reliable transport system to communities in order to improve the economy. Part of this programme is to visit the malls to raise awareness in terms of prevalent crimes and mugging of community members after shopping.

Social Crime Prevention Initiatives

The traffic department in conjunction with SAPS and Gauteng Liquor Board embarked on initiatives that were aimed at dealing with social crime related issued. Operations were undertaken to ensure compliance to legislation of all the liquor outlets. Punitive measures were taken against all illegal taverns.

Chapter 3

Service Objectives Service Indicators (i)	Outline Service Targets (ii)	2016/17		2017/18		
		Target	Actual	Target		Actual
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)
Traffic & Public Safety	% of Traffic Law enforcement incidents responded too.	100%	100%	100%	100%	100%
	Conduct Road Safety Campaigns	2	2	2	4	4

Employees: Traffic Officers						
Job Level Police Administrators	Year -1 Employees No.	Year 0				
		Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
Chief Police Officer & Deputy						
Other Police Officers						
0 - 3	0	0	0	0	0	0%
4 - 6	0	0	0	0	0	0%
7 - 9	1	1	1	2	20%	
10 - 12	10	10	9	1	33%	
13 - 15	3	3	2	0	0	
16 - 18	1	1	1	0	0	
19 - 20	0	0	0	0	0	
Total	15	15	13	3	20%	

Chapter 3

Details	Financial Performance 2017/18: Police					R'000
	2016/17	2017/18				
		Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	39543	45902	45925		49862	8%
Expenditure:						
Police Officers						
Other employees	10905	11296	12450		11960	6%
Repairs and Maintenance	6	380	260		259	-47%
Other	35228	42396	41708		3811	-1012%
Total Operational Expenditure	46139	54072	54418		16030	-237%
Net Operational Expenditure	6596	8170	8493		-33832	124%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.20.5

Chapter 3

3.21 FIRE AND RESCUE

The core function of the Fire and Rescue Services is to render fire -fighting, rescue - and fire safety services and ensure the safety of human life and property. This section further extends its services regarding public information education relations (PIER) sessions at schools, businesses and at community level in order to make people aware of the dangers of fire and further enhancing good relations with our communities. Fire hydrants inspections were conducted on regular basis to ensure continuous functionality. Part of the Fire Safety programme entails business inspections and approval of business plans to ensure compliance to fire safety. The Centralised Communications Centre (CCC) deals with emergency calls, general complaints, water and electrical complaints and any other calls received from time to time and thereafter referred to the relevant departments. (The water, electricity and other complaints are only handled by the CCC after office hours.) The CCC operates on the 24 hour basis.

Response Times

The turnout time for incidents was achieved within a period not longer than 3 minutes with the average turnout time being 2.25 minutes.

The turn up time for first incidents was achieved within a period not longer than 20 minutes with the average of 17 minute.

Overall Performance of Fire and Rescue Services

During the year 2017/18 the municipality attended to 561 calls within applicable South African National Standards (SANS Code). These calls included all household and property fires, veld fires, hazardous chemicals calls rescue and extrication service to both fire related and motor vehicle accidents. All 275 fire extinguishers were serviced within all the municipal buildings with the total of 230 building plans scrutinized and approved. 560 Fire hydrants were inspected and maintained.

Fire Prevention

The Fire department through Sedibeng District Municipality entered into a partnership aimed at bringing innovative and innovative measures to reduce the impact of fire risks within communities. SANTAM introduced the project called BAAM (Business-Adopt-A-Municipality) where 954 fire detectors for installation at identified ECD centers and Old Age Homes and Fire & Rescue equipment to Lesedi Fire & Rescue services.

Specialized Fire Services

Specialized firefighting services is the competency of Sedibeng District Municipality. This service is rendered through the Service Level Agreement

Chapter 3

Disaster Management Services

Lesedi Local Municipality experienced thunderstorms, on the evening of the 28th December 2017, which left households damaged and uprooted trees left blocking roads. The roofs of four (4) houses in Ratanda were blown away by strong winds and rain and the property for the families were badly damaged. Lesedi Local municipality Fire & Rescue and the Parks Department were dispatched to the distressed communities in order to protect further property damage and clear the roads of fallen trees. Sedibeng Disaster Management Centre and the Gauteng Provincial Disaster Management Centre were notified for the disaster relief activation. Salvage sheets were used by LLM to cover the exposed roofs, food parcels and blankets were sourced for distribution to the affected families

Fire & Rescue Service Data					
	Details	Year -1	Year 0		
		Actual No.	Estimate No.	Actual No.	
1	Total fires attended in the year			285	
2	Total of other incidents attended in the year			605	
3	Average turnout time - urban areas				
4	Average turnout time - rural areas				
5	Fire fighters in post at year end			19	
6	Total fire appliances at year end			3	
7	Average number of appliance off the road during the year			3	

Chapter 3

Details	2016/17	2017/18				R'000
		Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	95	125		100	95	-32%
Expenditure:						
Fire fighters						
Other employees	9432	12435		13852	10449	-19%
Repairs and Maintenance	0	367		288	215	0%
Other	682	1280		746	564	-127%
Total Operational Expenditure	10114	14082		14886	11228	-25%
Net Operational Expenditure	10019	13957		14786	11133	-25%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.21.5

Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		
		Target	Actual	Target		Actual
		*Previous Year	(iv)	(v)	(vi)	(vii)
Rescue Services	% of fire and rescue incidence responded to	100%	100%	100%	100%	100%
	a) Inspection of hydrants	200	180	200	200	401
	(b) Servicing of fire extinguishers	275	275	275	275	275
	(c) Improve turnout time	3min	2.39 min	3 min	3 min	2.25 min
	d) Improve response time	20 min	19 min	20 min	20 min	17 min
	(e) Scrutinizing of building plans	240	236	240	240	230

Chapter 3

Employees: Fire Services						
Job Level	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
Administrators	No.	No.	No.	No.	%	
Chief Fire Officer & Deputy						
Other Fire Officers						
0 - 3	0	0	0	0	0	0%
4 - 6	5	5	5	0	0	0%
7 - 9	0	1	0	1	100%	
10 - 12	16	18	18	0	0	0%
13 - 15	1	3	1	2	67%	
16 - 18	0	0	0	0	0	0%
19 - 20	0	0	0	0	0	0%
Total	22	27	22	3	11%	

Chapter 3

COMPONENT H: SPORT AND RECREATION

The municipality recognizes the fact that residences within its borders have vast talents in sports and wants to give formal recognition to those who excel locally. The focus is on the following adopted codes by Minister of Sport: -

The imposition of the seven priority codes (Netball, Football, Cricket, Rugby, Athletics, Boxing and Aquatics).

Seven priority codes are part of the developmental programme adopted in order to open up opportunities to and expose communities to different codes which were not readily available or familiar to their environment various. Programmes and **Projects undertaken are as follows:** -

3.23 SPORT AND RECREATION

Chess tournament	Its objective was to promote mental thinking and to establish an association for development. It conducted in conjunction with Gambits Foundation.
Social Cohesion community games/ Under/09	It was organized to introduce the under/9 participants and to discourage the resort to social ills (drug substances). It was organized in conjunction with Sydwell Maboe, the ex-professional player of Orlando Pirates and sponsored by department of Sport.
Aerobics Marathon and Fun Walk	Its objective was to promote healthy lifestyle and organized in conjunction with Department of Sport.
OR. Tambo-Soncini Social Games.	Its objective was to mark and celebrate the centenary of OR. Tambo, a national icon and hero of the liberation struggle.
Opening of the Sports Combi-Courts	The comb courts was opened by honorable MEC of Sports, Arts, Culture & Recreation, Faith Mazibuko. The aim of the courts is encourage mass participation and lead healthy lifestyle.
Sport for Social Change	Its purpose was to inculcate a culture of healthy style and enhance quality of life and improve healthy living.

Chapter 3

ARTS AND CULTURE DEVELOPMENT

Master Class Workshop for DJs and Producers.	Its objective was to enhance the artist's skills in producing and composing music and alerting the artists of the copy rights legalities.
Theatre and Dance Workshop	Its objective was to introduce the artists in various forms of dance routine and to help them to enhance their skills for stage performance.
Gauteng Filming Commission Workshop	Its objective was to introduce the artist in audiovisual industry, focusing more on TV and Filming aspects in the industry. It was hosted by Gauteng Filming Commission.
17 th Annual Heritage Symposium of the Heritage Association of South Africa.	It was hosted in the area in conjunction with Heidelberg Heritage Association and its objective was to encourage the preservation and conservation of building Heritage of Heidelberg to promote the significance of the properties. It was 3 days symposium.
Gauteng Carnival 2017	It was organized in conjunction with the department of Sport, Arts, Culture & Recreation. It is talent showcase for Gauteng which tries to discourage xenophobia.
Commemoration of Mme Alinah "Antipass" Monyaduwe Mokoena.	It was an honorary celebration, reminding people of the road travelled by heroes and heroines to democratic emancipation.
Wreath laying ceremony for the victims of the "Ratanda Bus Attack"	It was organized by Sedibeng District Municipality and made to remember the bus attack victims who died back in 1993.
Dance Auditions	It was conducted in conjunction with the department and was to culminate into Grahamstown Festival participation.
Geographic Name Change	The Committee was established to ensure that the process of name changing is undertaken.

Chapter 3

Employees: Sport and Recreation						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.		%
0 - 3	1	1	1	0		0%
4 - 6	3	3	3	0		0%
7 - 9	6	8	6	2		25%
10 - 12	7	15	7	8		53%
13 - 15	9	15	9	6		40%
16 - 18	11	21	11	10		48%
19 - 20	18	30	18	12		40%
Total	55	93	55	38		41%

Financial Performance Year 0: Sport and Recreation					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4032	5705	6144	6218	8%
Expenditure:					
Employees	19839	19095	22062	26058	27%
Repairs and Maintenance	419	290	234	198	-46%
Other	3525	8780	9063	3997	-120%
Total Operational Expenditure	23783	28165	31359	30253	7%
Net Operational Expenditure	19751	22460	25215	24035	7%

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Corporate Services Department is central to the governance in the Municipality. Corporate Service in the main is expected to provide the following support services to Municipal Departments: -

- Human Resources
- Labour Relations
- ICT
- Facilities Management
- Fleet Management
- Administrative support & Secretariat
- Legal
- Security
- Records Management

3.24 EXECUTIVE AND COUNCIL

Council members have been elected by an electorate to make decisions on their behalf regarding service delivery within the municipality. Thus, the council has the responsibility to oversee the executive actions of the appointed officials acting on its behalf.

The Mayoral Committee is appointed to assist the council in formulating guidelines (policies) for operation; to monitor the operations of the appointed officials; and to evaluate results on behalf of Council.

The Accounting Officer and other HODs are appointed to manage the administration of the municipality.

Chapter 3

Job Level	Employees: The Executive and Council					
	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0	0%
4 - 6						0%
7 - 9	1	1	1	0	0	0%
10 - 12	2	5	3	2	40%	
13 - 15	0	0	0	0	0	0%
16 - 18	1	1	1	0	0	0%
19 - 20	0	0	0	0	0	0%
Councillors	26	26	26	0	0	0%
Ward Committee Members	121	130	121	9	7%	
Total	151	163	152	11	0%	

Details	Financial Performance Year 0: The Executive and Council					
	R'000					
	Year 2016/17	Year 2017/18				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	4032	5705	6144	6218	8%	
Expenditure:						
Employees	19839	19095	22062	26058	27%	
Repairs and Maintenance	419	290	234	198	-46%	
Other	3525	8780	9063	3997	-120%	
Total Operational Expenditure	23783	28165	31359	30253	7%	
Net Operational Expenditure	19751	22460	25215	24035	7%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.24.5

Chapter 3

3.25 FINANCIAL SERVICES

There were no capital projects budgeted for the financial services department during the financial year as per the IDP.

Details of the types of account raised and recovered	Debt Recovery							R' 000	
	Year -1		Year 0			Year 1			
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %		
Property Rates	98,404,790.19	79%	108,335,142.39	108,335,142.39	78%	114,835,250.93	83%		
Electricity - B	51,606,225.47	incl	53,225,551.73	53,225,551.73	incl	56,419,084.83	incl		
Electricity - C	181,752,915.24	84%	170,691,495.81	170,691,495.81	79%	180,932,985.56	84%		
Water - B	7,749,947.97	incl	8,696,481.87	8,696,481.87	incl	9,218,270.78	incl		
Water - C	97,379,375.20	51%	97,871,484.81	97,871,484.81	51%	103,743,773.90	54%		
Sanitation	16,620,937.95	52%	17,710,712.95	17,710,712.95	54%	18,773,355.73	57%		
Refuse	31,200,035.43	41%	33,794,582.02	33,794,582.02	41%	35,822,256.94	43%		
Other	3,469,522.26	28%	3,989,073.02	3,989,073.02	28%	4,228,417.40	30%		

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

Chapter 3

Financial Service Policy Objectives Taken From IDP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 3	
		Target *Previous Year (iii)	Actual (iv)	Target *Previous Year (v)		Actual *Current Year (vi)		*Current Year Target (x)
Service Objective xxx								
Basic service delivery	Total Number of indigent households registered by year end. (Cumulative)	2000	2000	4000	4337	4337	5000	6216
Reducing water and electricity losses	Number of meter audits	0	0	T1% reduction in invoices raised; target limit of invoices	2824	10800	T5% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices
Continuously create a conducive environment through the implementation of organizational values and corporate governance principles for the efficient and effective delivery of quality services in fulfilment of the municipal legislative mandate.	Resolution of billing queries.	0	0	0	0	0	100%	87%
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>								
T 3.25.3								

Chapter 3

Job Level	Employees: Financial Services					
	Employees	Year 0				
		Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	
4 - 6	2	2	2	0	0%	
7 - 9	20	24	20	4	17%	
10 - 12	8	9	8	1	11%	
13 - 15	3	4	3	1	25%	
16 - 18	4	4	4	0	0%	
19 - 20	0	0	0	0	0	
Total	37	43	37	6	14%	

Financial Performance Year 2017/18: Financial Services					
Details	2016/17	2017/18			
		Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue	195792	211768	213996	218209	3%
Expenditure:					
Employees	17427	20466	19460	17965	-14%
Repairs and Maintenance	0	5	2	0	0%
Other	50948	40472	42415	39402	-3%
Total Operational Expenditure	68375	60943	61877	57367	-6%
Net Operational Expenditure	127417	-150825	-152119	-160842	6%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.25.5

There were no capital projects budgeted for the financial services department during the financial year as per the IDP. All capital projects were for the infrastructure department.

Chapter 3

3.26 HUMAN RESOURCE SERVICES

With regards to Human Resources we have seen great improvement in terms of policy development as critical HR Policies were developed and reviewed, amongst others the following key policies; Bursary Scheme Policy; Leave Management Policy; Recruitment Policy; Code of Conduct and Disciplinary Procedure.

The Equity Plan was reviewed and reported in terms of sec 21 of the Employment Equity Act (Act No. 55 of 1998 as amended) to the Department of Labour.

The Workplace Skills Plan (WSP) was successfully completed and submitted to the Local Government SETA. The following trainings were conducted;

1. Municipal Finance: 5 employees
2. End User Computing: 20 Councillors
3. Commissioner of Oath: 10 employees
4. Records Management: 1 employee

Human Resource Services Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2016/17		2017/2018		
		Target	Actual	Target	Actual	
Service Indicators		Previous Year		Previous Year	Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
Municipal transformation and institutional development						
Improve organisation knowledge	Number of section 57 positions filled as per organogram annually	6	4	6	5	5
Optimise systems administration and operating procedures	Percentage of internal ICT calls logged and resolved.	100%	100%	100%	100%	100%

Chapter 3

	Average number of days taken to finalise internal disciplinary hearings from date of the filing of the misconduct/grievance	90		90	90	90
	Implementation of the Schedule 8 of Labour Relations on disciplinary procedure.	100%	100%	100%	100%	100%

Job Level	Employees: Human Resource Services					
	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)		Vacancies (as a % of total posts)
	No.	No.	No.	No.		%
0 - 3	0	0	0	0		0%
4 - 6	0	0	0	0		0%
7 - 9	2	2	2	0		0%
10 - 12	2	4	2	2		50%
13 - 15	2	3	2	1		33%
16 - 18	0	1	0	1		100%
19 - 20	0	0	0	0		0%
Total	6	10	6	4		40%

Chapter 3

Financial Performance Year 2017/18: Human Resource Services						R'000
Details	2016/17	2017/18				Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	204	150	0	0	0	0%
Expenditure:						
Employees	2413	3165	4003	4160	4160	24%
Repairs and Maintenance	0	0	0	0	0	0%
Other	1922	3162	1035	655	655	-383%
Total Operational Expenditure	4335	6327	5038	4815	4815	-31%
Net Operational Expenditure	4131	6177	5038	4815	4815	-28%

Capital Expenditure Year 0: Human Resource Services						R' 000
Capital Projects	Year 0					Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	0	0	0	#DIV/0!		
No Capital Projects				#DIV/0!		

Chapter 3

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT systems and infrastructure were stable during the 2017/18 financial year with no major incidents or security events that would adversely impact service delivery. Information Security continues to be a concern and needs continuous assessment and improvement.

Projects to modernise the ICT infrastructure as per the Master System Plan continued to be implemented however the ICT Disaster Recovery Plan (DRP) which is informed by the organisation wide Business Continuity Plan (BCP) was not fully implemented.

Projects to establish a people-centred, performance driven one stop Customer Service Centre and to improve Business Processes across Departments were successfully delivered. Minimum compliance to Municipal Standard Chart of Accounts (mSCOA) as per National Treasury requirements was achieved. The project to upgrade our Financial Management System to a modern and mSCOA compliant Solar ERP system commenced and is scheduled to be completed in Dec 2018.

ICT achieved an improved audit result with no material findings for this Financial Year.

Job Level	Employees: ICT Services					
	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	0	
4 - 6	0	0	0	0	0	
7 - 9	1	4	1	3	75%	
10 - 12	1	3	1	3	100%	
13 - 15	0	2	0	1	50%	
16 - 18	0	1	0	1	100%	
19 - 20	2	10	2	8	70%	
Total	2	10	2	8	80%	

Financial Performance Year 2017/18: ICT Services					
Details	2016/17	2017/18			
		Actual	Original Budget	Adjustment Budget	Actual
					Variance to Budget
Total Operational Revenue	190	0	23	190	100%
Expenditure:					
Employees	1365	2189	1507	941	-133%
Repairs and Maintenance	8	50	1	17	-194%
Other	7778	11128	8339	7527	-48%
Total Operational Expenditure	9151	13367	9847	8485	-58%
Net Operational Expenditure	8961	13367	9824	8295	-61%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.27.5</i>

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Legal division handles all Municipal legal matters. Depending on the merits of each matter a decision may be taken to outsource. We are in the process of gazetting by-laws to ensure that the risks associated with litigation are minimized.

Facilities division was established and enhanced through capacitation to ensure efficient and effective management of municipal properties.

Gauteng Provincial Treasury assisted the Municipality in providing risk management services. The municipality strives to provide efficient procurement services to its internal services in line with Supply Chain Management Policy.

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					
Details	Year -1 Actual	Year 0			
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

COMPONENT J: MISCELLANEOUS

Not applicable the municipality does not provide the above-mentioned function

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1		Year 0		
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	47	53	47	4	%
Waste Water (Sanitation)	74	75	74	1	%
Electricity	40	56	41	15	%
Waste Management	31	40	38	2	%
Housing	11	11	10	1	%
Waste Water (Stormwater Drainage)	15	15	15	0	%
Roads	48	48	45	3	%
Planning	16	17	16	1	%
Local Economic Development	6	10	6	4	%
Community & Social Services	101	103	101	2	%
Environmental Protection	2	2	2	0	%
Health	8	8	8	0	%
Security and Safety	49	68	49	19	%
Sport and Recreation	9	10	9	1	%
Corporate Policy Offices and Other	124	161	124	37	%
Totals	581	677	585	90	-
<i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i>					
T 4.1.1					

Vacancy Rate: Year 0				
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category)	%
Municipal Manager	1	1		100.00
CFO	1	0		0.00
Other S57 Managers (excluding Finance Posts)	4	1		25.00
Other S57 Managers (Finance posts)	0	0		0
Police officers	0	0		0
Fire fighters	46	17		36.96
Senior management: Levels 13-15 (excluding Finance Posts)	24	4		16.67
Senior management: Levels 13-15 (Finance posts)	6	1		16.67
Highly skilled supervision: levels 9-12 (excluding Finance posts)	131	13		9.92
Highly skilled supervision: levels 9-12 (Finance posts)	10	2		20.00
Total	223	39		17.49
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.				T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2015/16	23	12	52%
2016/17	2	15	750%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			
			T 4.1.3

Appointments of Executive Managers

- The Executive Manager Corporate & Legal Services

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Policies have been developed such as: -

- Recruitment
- Leave Policy
- Overtime Policy
- Disciplinary Agreement
- EAWP Policy and OHS Policy as a Code of Conduct

HR Section also embarked on implementing the reviewed organizational structure as the outcome of the re-engineering process.

This process entailed amongst others, to ensure signed job description and placed on personal files. It is being reviewed for resubmission to the SALGA Provincial Audit Committee.

The following committees were established the Employment Equity Committee, the OHS Committee, the HR Development Committee and the Job Evaluation Committee have been established.

All new appointments are being vetted for qualifications and for criminal checks.

All new Section 57 (now 56's) are sent for competency tests and that is given to the MM and the panel.

4.2 POLICIES

Most policies relevant to Human Resources have been reviewed at LLF Level and implemented in the year under review.

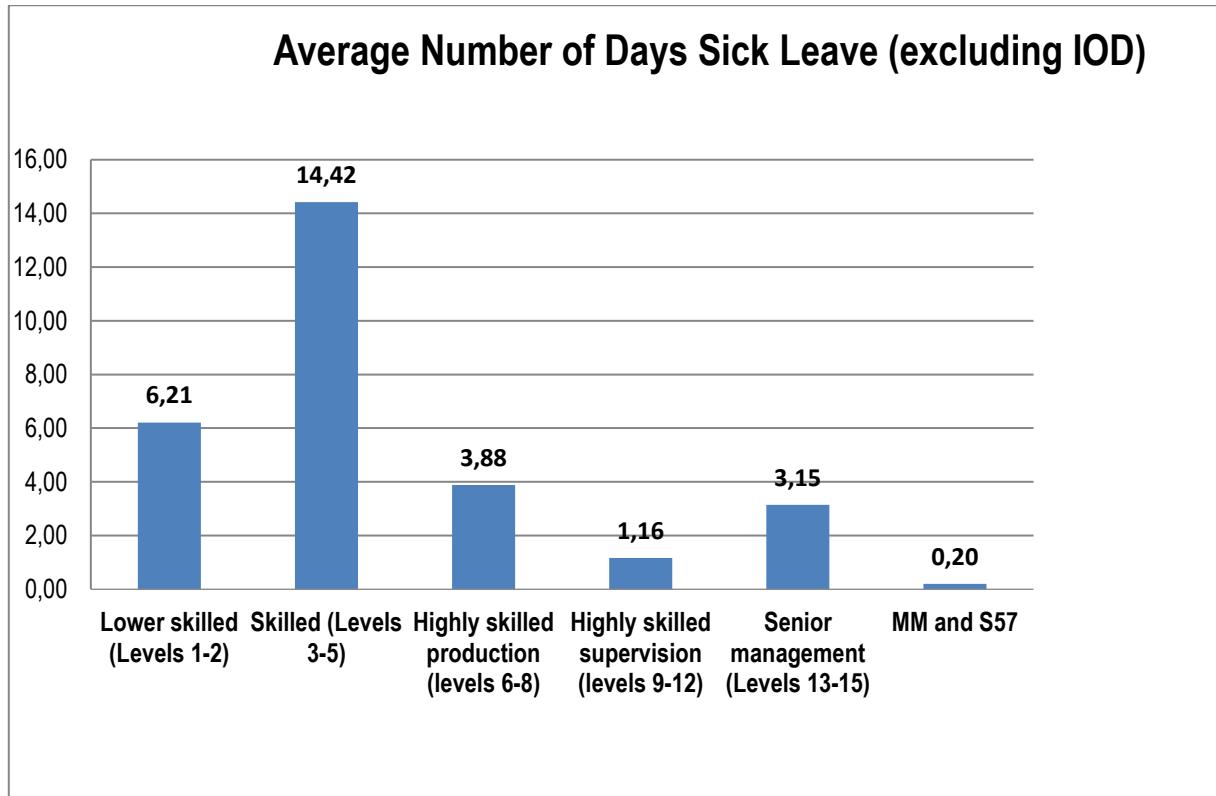
The LLF is fully functional and before any item can be discussed at LLF, it had to be served before the Senior Management Team then to LLF and then finally to Council.

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action			
2	Attraction and Retention	100		
	Bursary Policy	100		29/03/2018
3	Code of Conduct for employees	100		
	Dress Code Policy	100		
4	Delegations, Authorisation & Responsibility	100		
5	Disciplinary Code and Procedures			
6	Essential Services			
7	Employee Assistance / Wellness			
8	Employment Equity	100		
9	Exit Management	100		
10	Grievance Procedures			
11	HIV/Aids			
12	Human Resource Strategy	100		
13	Information Technology			
14	Job Evaluation	100		
15	Leave	100	1	29/02/2018
16	Occupational Health and Safety			
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100		
21	Organisational Rights			
22	Payroll Deductions			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments	100		
25	Remuneration Scales and Allowances			
26	Relocation Policy	100	1	29/03/2018
27	Sexual Harassment			
28	Skills Development			
29	Smoking	100		

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100		
33	Other:			

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	0	0%	0	0	0.00	0
Skilled (Levels 3-5)	920	10%	198	207	0.23	0
Highly skilled production (levels 6-8)	701	9%	87	172	0.25	0
Highly skilled supervision (levels 9-12)	313	7%	47	288	0.92	0
Senior management (Levels 13-15)	79	3%	10	39	0.49	0
MM and S57	7	0%	3	4	0.57	0
Total	2020	29%	345	710	2.46	0



Municipality has been operating without taking into account the health and safety issues. This year we have prioritized safety of employees by taking the following steps as an intervention:

- An assessment of the working environment was conducted and a status report was compiled.

- Health and safety policy developed
- Health and Safety Committee was established and members have been trained.
- A position of Employee Wellness practitioner has been created
- Injury on Duty Policy (IOD) was developed as a guidance tool.

- A road show was conducted in order to workshop staff on the importance of safety in the work place.

With regards to sick leave, the trends and tendencies are being monitored by the HR Administrator through a monthly report sending it to supervisor's making them aware of the trends and prompting them to find out reasons for such and to intervene.

Performance Counselling are conducted in instances where serious trends are being picked up before disciplinary action are implemented to ensure corrective action are taken.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Cashier	Gross Dishonesty	31-May-17	The alleged employee was suspended and charged with Gross Dishonesty	In progress
Cashier	Gross Dishonesty	31-May-17	The alleged employee was suspended and charged with Gross Dishonesty	In progress
Cashier	Gross Dishonesty	31-May-17	The alleged employee was suspended and charged with Gross Dishonesty	In progress
Cashier	Gross Dishonesty	31-May-17	The alleged employee was suspended and charged with Gross Dishonesty	In progress

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Cashier	Gross Dishonesty: R357 926.00 + R301 148.00	Suspended: 31 May 2017 and charged	In progress
Cashier	Gross Dishonesty: R55 056.00 + R301 148.00	Suspended: 31 May 2017 and charged	In progress
Cashier	Gross Dishonesty: R7 770.00	Suspended: 31 May 2017 and charged	In progress
Cashier	Gross Dishonesty: R1 670.00 + R301 148.00	Suspended: 31 May 2017 and charged	In progress

4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as at 30 June Year 0	Skills Matrix											
			Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual : End of Year -1	Actual : End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual : End of Year 0	Year 0 Target	Actual: End of Year -1	Actual : End of Year 0	Year 0 Target
MM and s57	Female	1	0	0	0	0	1	1	0	1	1	0	0	0
	Male	4	0	0	0	0	1	2	2	0	4	0	0	0
Councilors, senior officials and managers	Female	14	10	2	7	0	6	3	6	0	1	1	1	0
	Male	21	12	3	10	0	8	4	18	0	4	4	4	0
Technicians and associate professionals*	Female	18	7	4	20	10	2	15	11	0	0	0	0	0
	Male	110	89	56	60	80	4	16	8	0	0	0	0	0
Professionals	Female	7	4	15	6	4	2	1	4	0	0	0	0	0
	Male	14	7	30	4	6	18	3	2	0	0	1	0	0
Sub total	Female	40	21	21	33	14	11	20	21	1	2	0	0	0
	Male	149	108	89	74	86	31	25	30	0	8	0	0	0
Total		378	129	##	107	100	42	45	51	2	10	4	5	0

*Registered with professional Associate Body e.g CA (SA)

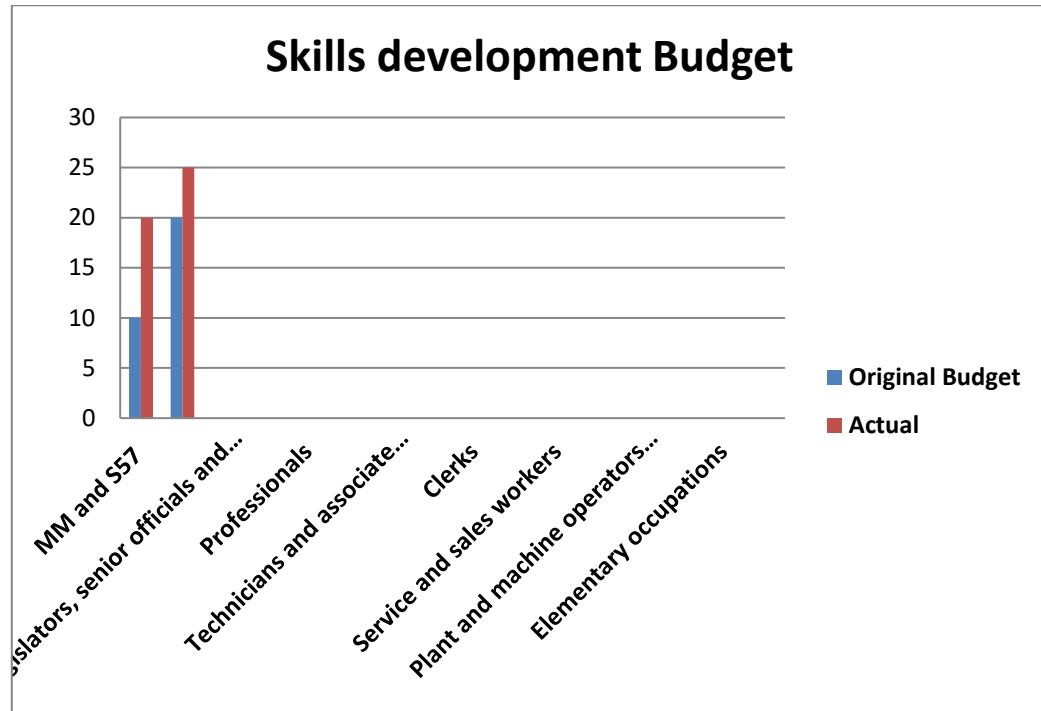
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COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

The workforce expenditure is monitored closely and in the year under review the expenditure was kept within the required rate. The newly developed organisational structure is also within 20% and 24% of the norm. There is prioritisation of filling of positions taking into consideration the ever-changing patterns in revenue

4.6 EMPLOYEE EXPENDITURE

Skills Development Expenditure											
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	
MM and S57	Female							10	20	10	20
	Male							20	25	20	25
Legislators, senior officials and managers	Female										
	Male										
Professionals	Female										
	Male										
Technicians and associate professionals	Female										
	Male										
Clerks	Female										
	Male										
Service and sales workers	Female										
	Male										
Plant and machine operators and assemblers	Female										
	Male										
Elementary occupations	Female										
	Male										
Sub total	Female							10	20	10	20
	Male							20	25	20	25
Total		#####	####	##	##	##	##	##	##	##	##
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R	
T4.5.3											



CHAPTER 5 – FINANCIAL PERFORMANCE

The municipality realised a surplus of R161 761 439 for the financial year and this was mainly due to the implementation of credit control and debt collection policy and the improved financial management within the municipality.

Employee Costs – 23% of total operating expenditure. This is within the expected norm of 27%, however the range is between 25% and 40%.

Repairs and maintenance costs - 3% of total expenditure. This appears very low when compared to expected norm of 8% and this is due to budget and cash constraints which limit the municipality when it comes to the ability to perform required repairs and maintenance of municipal infrastructure.

Finance charges – 1% of total expenditure indicates that even though the municipality is in a position to take on additional debt to finance infrastructure investments, it is rather concentrating on improving cash flow by implementing credit control and thus making the debt book liquid enough to internally fund such projects.

Impairment costs – 16.3% of total expenditure. Debt impairment for the year amounted to R109.7 million and at an average collection rate of 89.04% for the financial year; 0.96% below the target of 90%. Debt impairment reduced by R29.4 million from the prior financial year. The municipality will continue to rigorously implement credit control and debt collection policy in order to improve the revenue collection. Debt impairment is driven by payment of services by the municipality's consumers

The municipality spent 100% of its Capital expenditure. 95% of all capital grants were spent however the municipality had R5,000 000 of the Municipal Infrastructure Grant (MIG) stopped due to National treasury sighting slow spending by the end of the second quarter of 2017/18.

Own funded Capital expenditure spent was 7.5% due to the stoppage of SCM processes for the 2 main internal funded projects by the community.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The municipality realized a surplus of R161 761 439 for the financial year. The impairment of consumer debtors reduced by 21.2% from the prior year [i.e. from R139, 242, 477 (2016/17)]. to R109, 766 037 (2017/18)]. The municipality will continue to implement credit control and debt collection policy in order to increase the revenue collection and monitor indigent households.

Distribution losses for electricity increased when compared to the previous financial year, from 13% (20, 460,206) during the 2016/17 to 16.75% (R27.6m) during the current financial year which is 3.75% above the 10% norm. Water distribution losses increased by R1m from R11, 544, 106 (19%) during 2016/17 to R12.5m (19.3%) during the current financial year. The municipality has a substantial asbestos pipes in Heidelberg and this is the main contributor to

the high-water distribution losses, whilst for electricity, we remain with high level of illegal connections.

The water distribution losses are considered to be within the norm of 30% and for electricity are considered to be higher than the norm of 10%.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Financial Summary R' 000					
	Year -1 Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	96,106	104,446	104,713	106,473	2%	1.65%
Service charges	437,757	454,228	452,736	424,388	-7%	-7%
Investment revenue	2,309	1,250	2,065	4,488	72%	54%
Transfers recognised - operational	106,612	121,014	119,799	185,266	35%	35%
Other own revenue	67,501	62,736	71,212	119,440	47%	40%
Total Revenue (excluding capital transfers and contributions)	710,286	743,674	750,524	840,055	11%	11%
Employee costs	157,125	160,143	173,744	165,005	3%	-5%
Remuneration of councillors	10,024	10,170	10,691	10,666	5%	0%
Depreciation & asset impairment	36,535	142,115	148,098	183,368	22%	19%
Finance charges	11,262	10,053	10,049	10,801	7%	7%
Materials and bulk purchases	296,517	308,470	289,653	271,362	-14%	-7%
Transfers and grants	4,697	-	-	-	0%	0%
Other expenditure	225,676	100,037	103,818	108,462	8%	4%
Total Expenditure	741,835	730,987	736,053	749,664	2%	2%
Surplus/(Deficit)	(31,549)	12,687	14,471	90,390	86%	84%
Transfers recognised - capital	40,267	82,965	81,995	67,343	-23%	-22%
Contributions recognised - capital & contributed assets	-	-	-	7,174	100%	100%
Surplus/(Deficit) after capital transfers & contributions	8,718	95,652	96,466	164,907	42%	42%
Share of surplus/ (deficit) of associate	-	-	-	-	0%	0%

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Surplus/(Deficit) for the year	8,718	95,652	96,466	164,907	42%	42%
<u>Capital expenditure & funds sources</u>						
Capital expenditure	–	–	–	–	0%	0%
Transfers recognised - capital	40,267	78,685	78,315	67,343	-17%	-16%
Public contributions & donations	–	–	–	7,174	100%	100%
Borrowing	–	–	–	–	0%	0%
Internally generated funds		16,878	18,108		0%	0%
Total sources of capital funds	40,267	95,563	96,423	74,517	-28%	-29%
<u>Financial position</u>						
Total current assets	135,073	159,186	158,547	189,206	16%	16%
Total non current assets	817,189	876,583	872,579	850,564	-3%	-3%
Total current liabilities	165,582	220,719	219,254	84,182	-162%	-160%
Total non current liabilities	116,254	285,974	284,509	274,241	-4%	-4%
Community wealth/Equity	670,425	749,796	746,618	766,529	2%	3%
<u>Cash flows</u>						
Net cash from (used) operating	30,214	95,194	98,113	105,481	10%	7%
Net cash from (used) investing	(31,206)	(95,563)	(96,423)	(65,818)	-45%	-47%
Net cash from (used) financing	(3,063)	(3,372)	(3,372)	(3,672)	8%	8%
Cash/cash equivalents at the year end	(4,056)	9,666	9,027	35,992	73%	75%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	15,282	9,666	9,027	4,488	-115%	-101%
Application of cash and investments	–	(13,818)	(14,470)	–		
Balance - surplus (shortfall)	15,282	(4,152)	(5,443)	4,488	193%	221%
<u>Asset management</u>						

Financial Summary R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Asset register summary (WDV)	812,526	694,365	690,361	649,005	-7%	-6%
Depreciation & asset impairment	36,535	41,742	41,742	39,092	-7%	-7%
Renewal of Existing Assets	-	-	-	-		
Repairs and Maintenance	19,417	28,296	23,768	23,758	-19%	0%
<u>Free services</u>						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
<u>Households below minimum service level</u>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	2	2	-	%	%
Energy:	-	4	4	-	%	%
Refuse:	-	0	0	-	%	%
	0	0				

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

This table is aligned to MBRR table A1

T 5.1.1

Financial Performance of Operational Services						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<u>Operating Cost</u>						
Water	118,075	90,552	91,293	115,078	-21.31%	20.67%
Waste Water (Sanitation)	25,432	24,984	25,358	31,071	-19.59%	18.39%
Electricity	274,941	281,421	285,334	283,860	-0.86%	-0.52%
Waste Management	32,422	23,833	24,924	32,154	-25.88%	22.48%
Housing	21,641	17,949	17,548	6,124	193.12%	-186.57%
Component A: sub-total	472,511	438,739	444,457	468,286	-6.31%	5.09%
Waste Water (Stormwater Drainage)	-	-	-	-	0.00%	0.00%
Roads	19,446	25,497	23,372	18,246	39.74%	-28.10%
Transport	-	-	-	-	0.00%	0.00%
Component B: sub-total	19,446	25,497	23,372	18,246	39.74%	-28.10%
Planning	-	-	-	-	0.00%	0.00%
Local Economic Development	4,226	5,271	5,330	18,355	-71.28%	70.96%
Component B: sub-total	4,226	5,271	5,330	18,355	-71.28%	70.96%
Planning (Strategic & Regulatory)	-	-	-	-	0.00%	0.00%

Financial Performance of Operational Services						
R '000	Description	Year -1	Year 0			Year 0 Variance
Actual		Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Local Economic Development	—	—	—	—	0.00%	0.00%
	—	—	—	—	0.00%	0.00%
Component C: sub-total						
Community & Social Services	15,646	14,631	15,190	26,981	-45.77%	43.70%
Environmental Protection	12,143	12,707	13,741	12,726	-0.15%	-7.97%
Health	5,624	5,795	5,127	5,624	3.05%	8.84%
Security and Safety	71,004	54,072	54,418	52,942	2.13%	-2.79%
Sport and Recreation	3,592	4,235	3,688	3,592	17.89%	-2.66%
Corporate Policy Offices and Other	—	—	—	—	0.00%	0.00%
Component D: sub-total	108,008	91,440	92,163	101,865	-10.23%	9.52%
Total Expenditure	604,191	560,947	565,322	606,751	-7.55%	6.83%

In the table above, the operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 GRANTS

Description	Grant Performance						R' 000
	Year 0			Year 0 Variance			
Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)		
Operating Transfers and Grants							
National Government:	94,899	107,797	107,797	107,797	-	-	
Equitable share Municipal Systems Improvement	92,186	104,923	104,923	104,923	-	-	
Expanded Public Works Program Integrated Grant	-	-	-	-	-	-	
Finance Management Grant	1,238	1,324	1,324	1,324	-	-	
Other transfers/grants [insert description]	1,475	1,550	1,550	1,550	-	-	
Provincial Government:	2,015	4,300	4,300	4,300	-0.0	-0.00	
Health subsidy	15	-	-	-	-	-	
Libraries plan	500	3,300	3,300	3,300	-0.0	-0.00	
Human Settlement Expanded Public Works Program (Cogta)	-	-	-	-	-	-	
500	500	500	500	-	-		
Graph 17 Compliance	1,000	500	500	500	-	-	
District Municipality:	3,653	5,107	5,407	3,302	-0.5	-0.64	
Health subsidy	3,653	5,107	5,407	3,302	-	-	
Other grant providers:	627	3,827	3,827	2,525	-0.5	-0.52	
Department of Public Services and Administration	175	3,827	3,827	2,525	-0.5	-0.52	
Seta	205	-	-	-	-	-	
Bontle Ke Botho	248	-	-	-	-	-	

Grant Performance						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
[insert description]						
Total Operating Transfers and Grants	101,194	121,031	121,331	117,923		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

T 5.2.1

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

No grants were received from other sources.

5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0					
Asset 1					
Name	Design and construction of roads and stormwater at Kwa-Zanzele Phase 1				
Description	Infrastructure (Roads and Stormwater)				
Asset Type	Roads and Storm Water				
Key Staff Involved	(Infrastructure for roads and stormwater)				
Staff Responsibilities	(Infrastructure for roads and stormwater)				
Asset Value	Year -3			Year -2	Year -1
				16,096,172.62	
Capital Implications	MIG (Funding)				
Future Purpose of Asset	Building and roads for a new township establishment				
Describe Key Issues	Providing of Roads and storm water				
Policies in Place to Manage Asset	Assets maintenance Plans				
Asset 2					
Name	Construction of Roads and Stormwater in Heidelberg Ext 23 and 26				

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Description	Infrastructure			
Asset Type	Infrastructure (Roads and Stormwater)			
Key Staff Involved	Roads and Storm Water			
Staff Responsibilities	Roads and Storm Water			
	Year -3	Year -2	Year -1	Year 0
Asset Value			9,505,466. 17	
Capital Implications	MIG (Funding)			
Future Purpose of Asset	Building and roads for a new township establishment			
Describe Key Issues	Providing of Roads and storm water			
Policies in Place to Manage Asset	Assets maintenance Plans			
Asset 3				
Name	ELECTRIFICATION - OBED NKOSI PHASE 4			
Description	Infrastructure (Electricity)			
Asset Type	ELECTRIFICATION - OBED NKOSI PHASE 4			
Key Staff Involved	Electrical Department (Infrastructure)			
Staff Responsibilities	Electrical Department (Infrastructure)			
	Year -3	Year -2	Year -1	Year 0
Asset Value			5,231,609.8 0	
Capital Implications	MIG (Funding)			
Future Purpose of Asset	Providing of electrification for a new township establishment			
Describe Key Issues	Providing of Roads and storm water			
Policies in Place to Manage Asset	Asset Maintenance Plans			
				<i>T</i> 5.3. 2

Asset Management remains a concerning area for the municipality mainly due to undue reliance on consultants and lack of capacity that would ensure the transfer of skills by consultants.

Repair and Maintenance Expenditure: Year 0				
	R' 000			
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	33296	28768	23758	29%
				T 5.3.4

Repairs and maintenance expenditure was in line with the budget however the total expenditure of 3% is below the expected norm on 8%

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

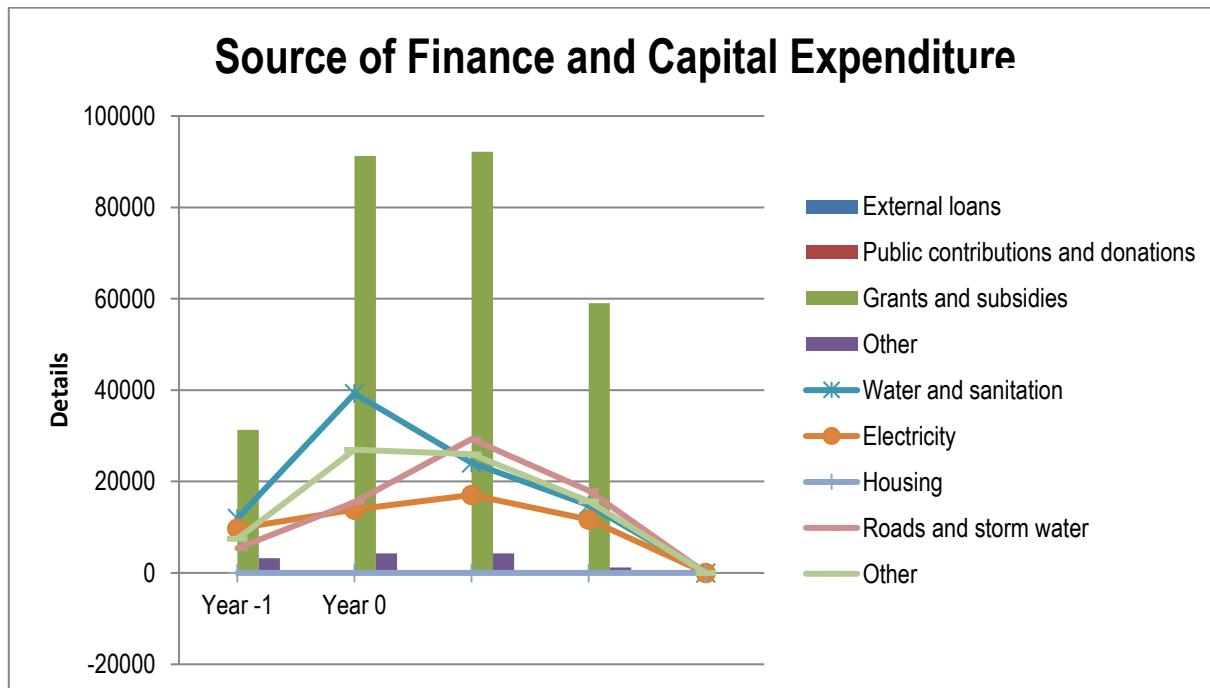
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

The municipality spent 100% of its Capital expenditure, however the municipality had R5000 000 of the Municipal Infrastructure Grant (MIG) stopped due to National treasury sighting slow spending by the end of the second quarter of 2017/18. 95% of all capital grants were spent. Own funded Capital expenditure spent was 7.3% due the stoppage of SCM processes for 2 main internal funded projects by community members.

6.1 CAPITAL EXPENDITURE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
Details		Year -1 Actual	Year 0				
			Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	0	0	0	0	0.00%	0.00%
	Public contributions and donations	0	0	0	0	0.00%	0.00%
	Grants and subsidies	31326	91285	92145	59052	0.94%	-35.31%
	Other	3249	4278	4278	1170	0.00%	-72.65%
Total		34575	95563	96423	60222	0.94%	-107.96%
Percentage of finance							
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	90.6%	95.5%	95.6%	98.1%	100.0%	32.7%
	Other	9.4%	4.5%	4.4%	1.9%	0.0%	67.3%
Capital expenditure							
	Water and sanitation	11958	39260	24066	14868	-38.70%	-62.13%
	Electricity	9703	13850	17066	11670	23.22%	-15.74%
	Housing	0	0	0	0	0.00%	0.00%
	Roads and storm water	5392	15497	29294	17996	89.03%	16.13%
	Other	7522	26956	25997	15688	-3.56%	-41.80%
Total		34575	95563	96423	60222	69.99%	-103.55%
Percentage of expenditure							
	Water and sanitation	34.6%	41.1%	25.0%	24.7%	-55.3%	60.0%
	Electricity	28.1%	14.5%	17.7%	19.4%	33.2%	15.2%
	Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Roads and storm water	15.6%	16.2%	30.4%	29.9%	127.2%	-15.6%
	Other	21.8%	28.2%	27.0%	26.1%	-5.1%	40.4%
T 5.6.1							



Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project			10,789,246	0	0
B - Name of Project	16,000,000		8,324,227	48%	100%
C - Name of Project	6,000,000		5,261,781	12%	100%
D - Name of Project			3,116,218	0	0
E - Name of Project	4,000,000		3,056,968	24%	100%

* Projects with the highest capital expenditure in Year 0

Name of Project - A	CONSTRUCTION OF ROADS AND STORMWATER FOR EXT 1.3.6
Objective of Project	Access to proper roads and stormwater
Delays	No delays
Future Challenges	No future challenges to be experienced in the future
Anticipated citizen benefits	Community will be benefiting from the project
Name of Project - B	ASBESTOS PIPE REPLACEMENT IN HEIDELBURG(PVC pipes)
Objective of Project	Access to proper water and sanitation
Delays	No delays
Future Challenges	No future challenges to be experienced in the future
Anticipated citizen benefits	Community will be benefiting from the project

Capital Expenditure of 5 largest projects*					R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0						
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)					
Name of Project - C	CONSTRUCTISION OF LED STREET LIGHTS									
Objective of Project	Providing of electrification to a newly established township									
Delays	No delays									
Future Challenges	No future challenges to be experienced in the future									
Anticipated citizen benefits	Community will be benefiting from the project									
Name of Project - D	CONSTRUCTISION OF HIGHMAST OBED NKOSI									
Objective of Project	Providing of electrification for Street lighting in Heidelberg Area									
Delays	No delays									
Future Challenges	No future challenges to be experienced in the future									
Anticipated citizen benefits	Community will be benefiting from the project									
Name of Project - E	ELECTRIFICATION OF OBED NKSOSI									
Objective of Project	Lighting for the New established Houses									
Delays	No delays									
Future Challenges	No future challenges to be experienced in the future									
Anticipated citizen benefits	Community will be benefiting from the project									
T 5.7.1										

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
	Budget			Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	6497	20294	15294	0.58	-0.33	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation	1050	1466	1466	0.28	0.00	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs	8000	3522	3522	-1.27	0.00	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation	10000	544	544	-17.38	0.00	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
Construction of Sportfield	15108	11089	11089	-0.36	0.00	
				%	%	
				%	%	
Total				%	%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

Service Backlogs as at 30 June Year 0					Households (HHs)
	*Service level above minimum standard		**Service level below minimum standard		
	No. HHs	% HHs	No. HHs	% HHs	
Water	36577	94	2716	6	
Sanitation	36026	92	3267	8	
Electricity	36577	94	2716	6	
Waste management	34184	87	5109	13	
Housing		%		%	

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 on Service backlogs

R' 000

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges	6497	20294	15294	0.58	-0.33	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation	1050	1466	1466	0.28	0.00	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs	8000	3522	3522	-1.27	0.00	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation	10000	544	544	-17.38	0.00	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
Construction of Sportfield	15108	11089	11089	-0.36	0.00	
				%	%	
				%	%	
Total				%	%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project			10,789,246		0
B - Name of Project	16,000,000		8,324,227	48%	100%
C - Name of Project	6,000,000		5,261,781	12%	100%
D - Name of Project			3,116,218	0	0
E - Name of Project	4,000,000		3,056,968	24%	100%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	CONSTRUCTION OF ROADS AND STORMWATER FOR EXT 1.3.6				
Objective of Project	Access to proper roads and stormwater				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
Name of Project - B	ASBESTOS PIPE REPLACEMENT IN HEIDELBURG(PVC pipes)				
Objective of Project	Access to proper water and sanitation				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
Name of Project - C	CONSTRUCTISION OF LED STREET LIGHTS				
Objective of Project	Providing of electrification to a newly established township				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
Name of Project - D	CONSTRUCTISION OF HIGHMAST OBED NKOSI				
Objective of Project	Providing of electrification for Street lighting in Heidelberg Area				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
Name of Project - E	ELECTRIFICATION OF OBED NKSOSI				
Objective of Project	Lighting for the New established Houses				
Delays	No delays				
Future Challenges	No future challenges to be experienced in the future				
Anticipated citizen benefits	Community will be benefiting from the project				
T 5.7.1					

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Large amounts of infrastructure investments are required over the short to medium term (1 to 10 years) to address the basic services backlogs. Critical bulk water, sanitation and electricity infrastructure are needed for key economic developments and mega housing projects. Roads and stormwater backlogs resulting from prior housing developments which were implemented without these services also needs to be addressed in the short to medium term period.

Maintenance backlogs are being addressed through the operational budget even though not enough due to insufficient allocation. As collection rate is improving more funds will have to be dedicated to address the accumulated backlogs through maintenance and refurbishment. A dedicated form of funding will have to be sourced to fast-track the eradication of the accumulated maintenance backlogs

Service Backlogs as at 30 June 2017				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	39294	93	2717	7
Sanitation	39294	92	3268	8
Electricity	39294	92	3264	8
Waste management	39294	87	5109	13
Housing		%		%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality realised an increased cash flows from operating activities of R33.9 million during the current financial year compared to R30.2 million in the prior year. A net cash outflow of R59.9 million for the current financial year (R34.5 million for 16/17) was also realized from investing activities with most of it being directed towards the purchase of property, plant and equipment. A net cash outflow of R3.6 for the current financial year (R3.3 million for 16/17) was realized from financing activities. Cash and cash equivalent has a positive cash position of the municipality amounting to R47.3 million (R11.3 million for 16/17) as at 30 June 2018.

This indicates that although financial sustainability was a risk, it is not at an unacceptable level whereby the municipality would be unable to continue as a going concern

5.9 CASH FLOW TO START HERE

Description	Cash Flow Outcomes			
	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	473,338	469,766	472,444	491,436
Government - operating	105,103	121,014	119,799	140,937
Government - capital	36,574	82,965	81,995	53,157
Interest	15,179	10,321	11,830	26,041
Dividends	–	–	–	–
Payments				
Suppliers and employees	(590,616)	(578,819)	(577,906)	(600,749)
Finance charges	(5,614)	(10,053)	(10,049)	(5,341)
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	33,964	95,194	98,113	105,481
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(34,575)	(95,563)	(96,423)	(65,818)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(34,575)	(95,563)	(96,423)	(65,818)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–

Cash Flow Outcomes				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Repayment of borrowing	(3,357)	(3,372)	(3,372)	(3,672)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3,357)	(3,372)	(3,372)	(3,672)
NET INCREASE/ (DECREASE) IN CASH HELD	(3,967)	(3,741)	(1,682)	35,992
Cash/cash equivalents at the year begin:	15,282	13,407	10,709	11,315
Cash/cash equivalents at the year end:	11,315	9,666	9,027	47,307

Source: MBRR A7

T 5.9.1

5.10 BORROWING AND INVESTMENTS

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
Municipality			
Long-Term Loans (annuity/reducing balance)	58637	54966	50955
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	58,637	54,966	50,955

Actual Borrowings: Year -2 to Year 0			
Instrument	Year -2	Year -1	Year 0
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

T 5.10.2

The municipality only borrowed funds from the Development Bank of South Africa and this are loans that were concluded in previous financial years.

No new borrowing facilities were concluded during the financial year. Investments were made with various banking institutions based on a favourable interest rate and they are largely driven by the conditional grant funding where funds are only withdrawn when certain conditions of the grant are met.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The annual financial statements and annual report (inclusive of the performance report) will be submitted to the Auditor-General of South Africa (AGSA) on 31 August 2018. The AGSA commenced with the annual audit during August 2018 and will be completed the audit in November 2018. The management and audit reports will be issued at an event that will be organized by the AGSA and will be attended by our Executive Mayor, the Acting Municipal Manager and Chief Financial Officer in the 1st week of December 2018.

AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

The municipality had an unqualified opinion with other matters from the Auditor-General of South Africa.

Auditor-General Report on Service Delivery Performance: Year -1	
Status of audit report**:	Qualified opinion on audit of performance information.
Non-Compliance Issues	Remedial Action Taken
Non-compliance with municipal performance regulations	Development of standard operating procedures to address short comings in the municipalities performance management system
T 6.1.2	

AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	Unqualified audit opinion
Non-Compliance Issues	Remedial Action Taken
Non compliance with section 122	Review of financial statements, regular training of officials who prepare AFS on GRAP requirements and caseware training
Non compliance with supplychain regulations	Consequence management for all officials who transgress SCM requirements.

*Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.*

T 6.2.1

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....Dated

6.3 ACTION PLANS TO ADDRESS AG FINDINGS

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
1	Key Performance indicator not agreeing to the supporting schedules	Municipal Systems Act; Section 40	The reported achievement on the Annual Performance Report (APR) does not agree to the evidence on site. Pipeline has been installed but no evidence submitted in POE. % Completion on construction of Vischkuil Reservoir(PIPE)	Non-compliance with laws & regulations	AoPO	Management does not agree with the finding , The information on the APR is accurate	Impact on audit report	Yes	EM: Infrastructure	164	30-Jun-19	Adjust the APR to address the misstatement	EM: Infrastructure	The bulk water supply pipeline to the new Vischkuil Reservoir project was not implemented in the 2017/18 Financial year, due to a pending application for the upgrading of water meter at Bloemendal Pump Station (Randwater).	Okay - manageable issues
2	Jameson Park finding	Municipal Systems Act; Section 40	The planned indicator as per the Annual Performance Plan (APP) is not consistent with the reported indicator on the Annual Performance Report (APR).	Internal control deficiency	AoPO	Proper records are kept, this was merely a typing error!	Impact on audit report	No	EM: Infrastructure	195	31-Jul-19	Management should adjust the APR to address the misstatement.	EM: Infrastructure	APR to be checked and signed off by three Managers before submitted.	Okay - manageable issues
3	No consistency between the APR and APP	Municipal Systems Act; Section 40	% completion of 1.5km roads and storm water upgrades at Obed Nkosi	Internal control deficiency	AoPO	Proper records are kept, this was merely a typing error!	Impact on audit report	No	ASM: M&E, Manager: IA	195	31-Jul-19	Management should adjust the APR to address the misstatement.	ASM: M&E, Manager: IA	Corrected	FINALIZED
4	Reported achievement per APR not agreeing to supporting documents	Municipal Systems Act; Section 40	The reported achievements as per the supporting schedule submitted for audit does not agree to the reported achievement on the Annual Performance Report (APR). % completion of 1.5km roads and storm water upgrades at Obed Nkosi	Internal control deficiency	AoPO	Proper records are kept, this was merely a typing error!	Impact on audit report	Yes	ASM: M&E, Manager: IA	195	31-Jul-19	APR to be checked and signed off by three Managers before submitted.	ASM: M&E, Manager: IA	Corrected	FINALIZED
5	Inaccurate reporting on the Annual Performance Report	Municipal Systems Act; Section 40	The reported achievements as per the supporting schedule submitted for audit does not agree to the reported achievement on the Annual Performance Report (APR). Number of elderly, disabled and environmental health support programmes implemented	Internal control deficiency	AoPO	Management agrees with the finding. There was miss-calculation as only 10 programs were reported instead of twelve.	Impact on audit report	Yes	EM: Community Services	195	31-Jul-19	Management will ensure that accurate record keeping is introduced and implemented. Management will further ensure that supporting	EM: Community Services	Corrected	FINALIZED

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
												schedules are regularly and adequately reviewed			
6	Inaccurate reporting on the Annual Performance Report	Municipal Systems Act; Section 40	Reported achievement per APR not agreeing to supporting documents- Number of new households with access to refuse removal	Internal control deficiency	AoPO	Management agrees with the finding	Impact on audit report	Yes	EM: Community Services	195	31-Jul-19	Supporting schedules will be regularly monitored and reviewed.	EM: Community Services	Corrected	FINALIZED
7	Reported achievement per APR not agreeing to supporting documents	Municipal Systems Act; Section 40	The reported achievements as per the supporting schedule submitted for audit does not agree to the reported achievement on the Annual Performance Report (APR). Number of community safety campaigns conducted	Internal control deficiency	AoPO	Management agrees with the finding. There was miss-calculation.	Impact on audit report	Yes	EM: Community Services	195	31-Jul-19	Supporting schedules will be regularly monitored and reviewed.	EM: Community Services	Finding resolved.	FINALIZED
8	Reported achievement per APR not agreeing to supporting documents	Municipal Systems Act; Section 40	The reported achievements as per the supporting schedule submitted for audit does not agree to the reported achievement on the Annual Performance Report (APR). Number of community based HIV/AIDS awareness campaigns	Internal control deficiency	AoPO	Management agree with the finding.	Impact on audit report	Yes	EM: Community Services	195	31-Jul-19	Supporting schedules will be regularly monitored and reviewed.	EM: Community Services	Finding resolved.	FINALIZED
9	Reported achievement per APR not agreeing to supporting documents	Municipal Systems Act; Section 40	The reported achievements as per the supporting schedule submitted for audit does not agree to the reported achievement on the Annual Performance Report (APR). Number of water samples taken per quarter	Internal control deficiency	AoPO	Management disagrees with this finding. The actual number of water samples taken is 298 as opposed to 225. Evidence of 298 was submitted.	Impact on audit report	Yes	EM: Infrastructure	164	30-Jun-19	Ensure submission of correct evidence.	EM: Infrastructure	Finding resolved.	FINALIZED
10	Inaccurate consumer deposits and deposits received balances Criteria	Grap 1.17	Consumer deposits-all services and Deposits received (Trade and other payables from exchange transactions) account balances are incorrect.	Non-compliance with Grap 1.17	Revenue	The management agrees with the finding	Impact on audit report	Yes	CFO	164	30-Jun-19	The annual Financial Statements will be adjusted.	CFO	Finding resolved.	FINALIZED
11	Inaccurate provision for leave pay	Grap 1.17	Leave pay provision is misstated. This is as a result of an incorrect formula applied to the calculation.	Non-compliance	Finance	The management agrees with the finding	Impact on audit report	Yes	CFO	164	30-Jun-19	Corrective journal will be passed and the AFS will be adjusted	CFO	Finding resolved.	FINALIZED
12	Trial balance not agreeing to the annual financial statement for VAT payable	MFMA Circular No. 50;Municipal Finance Management Act No. 56 of 2003	There is a mismatch between the amount disclosed for VAT on the trial balance to the amount that is disclosed on the financial statements.	Non-compliance	Finance	?????	Impact on audit report	Yes	CFO	164	30-Jun-19		Manager: Budgets & AFS	???????	???????

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
13	Grants listing not agreeing to the annual financial statements	MFMA Circular No. 50; Municipal Finance Management Act No. 56 of 2003	The grants listing did not agree to the amount disclosed on the financial statement as transferred to revenue	Non-compliance	Finance	Management disagree with the finding, because the Municipality cannot transfer grants amounts from condition met to revenue that exceed grants allocation	Impact on audit report	Yes	CFO	164	30-Jun-19	None	Manager: Budgets & AFS	N/A	FINALIZED
14	Annual Financial Statements does not agree with the General Ledger	MFMA Circular No. 50; Municipal Finance Management Act No. 56 of 2003	Variances were noted between the AFS and the Mapped Trial Balance	Non-compliance	Finance	Management disagrees that Annual Financial Statements are misstated, because the Annual Financial statements agrees with the general ledger.	Impact on audit report	Yes	CFO	164	30-Jun-19	Management should correct the annual financial statements.	Manager: Budgets & AFS	Corrected	FINALIZED
15	Cash flow statement – Misstatement of investing activities	GRAP 2	Proceeds to the value of R 1 813 532 were recognized from the sale of heritage assets yet there was no movement in the heritage carrying amount in the current year. The statement of cash flows is misstated by R 1 813 532.	Non-compliance	Finance	Management agrees with the finding; however we disagree with the conclusion of the finding as the cash flow statement is not misstated by R 1 813 532.	Impact on audit report	Yes	CFO	164	30-Jun-19	To ensure full compliance	Manager Budget and Treasury	Corrected	FINALIZED
16	Incomplete disclosure of deviations	MFMA section 62(c)(i):	The deviation value disclosed in the annual financial statements in note 54 does not agree to management's deviation schedule	Non-compliance	SCM	Management agrees with the finding. There was an oversight on the amounts captured, the report used splits the deviations on a quarterly basis, on inputting the information into the Financial Statements only the 4th Quarter amounts were used on the rational that the amounts were cumulative whereas in actual fact the quarterly amounts were independent and had to be summed up, hence the misstatement.	Impact on audit report	No	CFO	164	30-Jun-19	Management should ensure correctness of the Deviations disclosure in the Annual Financial Statements.	Manager: SCM	Corrected	FINALIZED
17	Commitments disclosure note is incomplete	GRAP 1.17	Contracts that are not completed at year-end were not included in the commitments disclosed in the financial statements.	Non-compliance	SCM	Management agrees with the recommendation and will ensure that the contract register is updated monthly.	Impact on audit report	Yes	CFO	164	30-Jun-19	Submission of a commitment register to the budget office	Manager SCM	Corrected	FINALIZED
18	Contract Register is incorrect	Grap .17	The amounts for the expenditure incurred for the current year in the contract register is not the same as the amount as per payments listing	Non-compliance	SCM	Management agrees with the recommendation	Impact on audit report	Yes	CFO	164	30-Jun-19	Management will ensure that the contracts register is regularly updated as required.	Manager SCM	Corrected	FINALIZED
19	Contingent liabilities	GRAP 1 Municipal Finance Management Act No. 56 of 2003 (Section 62 (1)(b))	Register of litigations and disciplinary matters not updated.	Non-compliance	Legal & HR	Management agrees with the finding.	Impact on audit report	No	EM: Corporate Services	164	30-Jun-19	Management will ensure that documents to be submitted to AG are checked and being reviewed before they are submitted to for audit purposes.	Manager Legal & Manager HR	Corrected	FINALIZED

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
20	No consequence management system	MFMA Circular No. 68; Municipal Finance Management Act No. 56 of 2003	The Municipality does not have a system for consequence management in place. The UIF&WE was not investigated to hold the responsible people accountable or certified as irrecoverable and written off by council as recommended by the MFMA Act.	Non-compliance	MM	Management agrees with the finding.	Impact on audit report	Yes	MM	164	30-Jun-19	Disciplinary Board has been appointed and will deal with all UIF&WE issues.	None	In progress	Okay - manageable issues
21	Interest – State	Supply Chain Management Policy	The municipality does not request suppliers to submit declaration of interest (MBD4 Forms) for quotations. Which has led to using suppliers who are in the service of the state. The MBD4 is the official/ standard declaration form that must be used by all bidders.	Non-compliance	SCM	Management disagrees with the finding for the following reasons: - Octavo and RSTE have declared that they do not have anyone in the service of the state. Declaration of Interest (MBD4) attached. - Shindler' CSD report does not show that any of its directors are in the service of the state. - The municipality never conducted any business with Guard Risk Allied and Services, Guardrisk is the underwriter for Lateral Unison who is our insurance service provider.	Impact on audit report	Yes	CFO	164	30-Jun-19	Management will await the AG response to the attached proof provided to disagree with the finding.	Manager SCM	In progress	Good as going
22	Non tax compliant suppliers	Supply Chain Management Policy	Awards to tax non-compliant suppliers. As per SCM policy, no award should be made to suppliers whose tax matters are not in order.	Non-compliance	SCM	Management disagree with the finding on Prudile Holdings, their tax matters are in order. Evidence is attached. With Basia Environmental Services, management agrees with the finding.	Impact on audit report	Yes	CFO	164	30-Jun-19	Management will ensure that if the recommended service providers tax matters are not in order, the bidder be notify and given seven(7) days to rectify its tax matters as per circular 90.	Manager SCM	In progress	Good as going
23	Splitting of quotations	Supply Chain Management Policy	Transactions of similar nature and acquisition of which took place at close proximity of each other in separate transactions. Had these goods been procured as one transaction, they would have exceeded the threshold of R30 000 procured by the same department from the same service provider, it is not evident why they were procured separately.	Non-compliance	SCM	Management disagree with the finding. - The orders for M3L was for different items. - Bongi Thuso Trading and Projects execute different jobs for different departments.	Impact on audit report	Yes	CFO	164	30-Jun-19	None	Manager SCM	In progress	Good as going
24	Inadequate contract management	Supply Chain Management Policy	Contract not signed by both parties	Non-compliance	SCM	Management agrees with the finding that the Performance Management agreement was not signed by the Lesedi Local Municipality. However NaleTechnologies CC, Mgobovo-Techno JV and CSX Customer Services all sign their Performance agreement accept ONKE Consulting Pty Ltd.	Impact on audit report	Yes	CFO	164	30-Jun-19	Management will ensure that the contract management officer will be part of the signing of all contracts to ensure that the performance management agreement in the tender document are signed by both parties.	Manager SCM	In progress	Okay - manageable issues

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
25	Awards to suppliers/ service providers whose municipal accounts are in arrears for more than 90 days	Supply Chain Management Policy	Awards were made to suppliers who were in arrears for more than 90 days on their municipal accounts as an entity and/or as individuals.	Non-compliance	SCM	Management disagrees with the following findings. - Thembridge Support Services directors and the company itself did not owe any municipal accounts. TA Rakosa's account was attached to the tender document but is not a director of the company, tender document that confirms the directors of Thembridge was given to AG for inspection, all directors are listed in the CK document and all directors' accounts are up to date including that of the company.	Impact on audit report	Yes	CFO	164	30-Jun-19	Verification for all compliance requirements by the SCM Official during the Evaluation process	Manager SCM	In progress	Okay - manageable issues
26	Competitive bidding process not followed for transaction value above R 200 000	Supply Chain Management Policy	There are contracts which have expired, which are now on a month to month basis.	Non-compliance	SCM	Management agrees with the finding.	Impact on audit report	Yes	CFO	164	30-Jun-19	Month to Month tenders will be advertised	Manager SCM	In progress	Okay - manageable issues
27	Improper conduct in SCM by suppliers - Bid Rigging	Supply Chain Management Policy	One of the suppliers submitted two bids for one tender under two different company names. This is against the competitive bidding process as it is not a fair process.	Non-compliance	SCM	Management agrees with the finding.	Impact on audit report	Yes	CFO	164	30-Jun-19	As part as the administrative compliance, The ownership of all the bids will first be verify, and if found that one bidder submit two bids for two different companies, the bidder will be disqualified.	Manager SCM	In progress	Okay - manageable issues
28	Contract Overpayments	Supply Chain Management Policy	The amounts for the expenditure incurred for some contracts was more than the amount awarded.	Non-compliance	SCM	Management agrees and disagree with parts of the finding.	Impact on audit report	Yes	CFO	164	30-Jun-19	The contracts will be regularly monitored to avoid over spending and irregular expenditure.	Manager SCM	In progress	Okay - manageable issues
29	Non submission of Annual Performance Report Requirement	AoPO	The Annual Performance Report (APR) was not prepared and therefore not submitted as part of the submissions that were made to the Auditor General.	Non-compliance	AoPO	The APR was prepared and submitted to the AG on the 31 st August 2018, however, the document included the internal audit comments and it was then rejected. The internal audit comments were removed and APR was resubmitted.	Other important matters	No	MM	226	31-Aug-19	Management will ensure that the APR is prepared and submitted annually in accordance to Sec 46 of MSA.	ASM: M&E	In progress	Okay - manageable issues
30	Non submission of the Mid-Year Performance reports	AoPO	The mid-year performance report was not prepared and no evidence of a report submitted by the accounting officer with reasons for failing to submit were provided.	Non-compliance	AoPO	Management agrees with the finding.	Other important matters	No	MM	164	30-Jun-19	Management will ensure that mid-year performance reports are prepared and submitted to the municipal mayor and Treasury to avoid non-compliance with section 72 of the MFMA	ASM: M&E	In progress	Okay - manageable issues

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
31	Internal audit plan was not approved	Treasury Internal audit Framework	Internal audit plan was not approved by the Audit Committee.	Non compliance	Internal audit	Management agrees with the finding.	Other important matters	No	MM	-48	30-Nov-18	The IA Plan will be tabled to the SDM shared services for approval and be accepted by the Acting MM by the 30 November 2018.	Manager: Internal Audit	In progress	Okay - manageable issues
32	Internal audit Charter was not approved	Treasury Internal audit Framework	Internal audit Charter was not approved by the Audit Committee.	Non-compliance	Internal audit	Management agrees with the finding.	Other important matters	No	No	164	30-Jun-19	IA Charter will be tabled to the SDM shared services for approval and be accepted by the Acting MM by the 30 November 2018.	Manager: Internal Audit	In progress	Okay - manageable issues
33	Audit committee Charter was not approved	Treasury Internal audit Framework	Audit committee Charter was not approved.	Non-compliance	Audit committee	Management agrees with the finding.	Other important matters		MM	164	30-Jun-19	AC Charter will be tabled to the SDM shared services for approval and be accepted by the Acting MM by the 30 November 2018.	Manager: Internal Audit	In progress	Okay - manageable issues
34	Presentation and disclosure of the Annual Performance Report	Municipal Systems Act (MSA); Section 46	The Annual Performance Report was not presented in accordance to Section 46 of the MSA	Non-compliance	Performance	Management agrees with the finding.	Other important matters		MM	164	30-Jun-19	Prepare APR template in accordance with the Framework	ASM: M&E	In progress	Good - going as planned
35	Mid year performance review not submitted to oversight bodies	MFMA section 72(a)(b):	The Mid year Performance Report was not submitted to the Mayor, Provincial and National Treasury by the 25th January 2018	Non-compliance	Performance	Management agrees with the finding.	Other important matters		MM	8	25-Jan-19	Management to submit the Mid year performance report to the Mayor, National and Provincial Treasury by the 25th January each year.	ASM: M&E	In progress	Good - going as planned
36	Employment Contract and Performance Agreements of appointed Senior Managers Requirement	Municipal Systems Act (MSA); Section 57(1)	No performance agreements nor signed employment contracts for the Municipal Manager and Executive Manager: Corporate services could be located.	Non-compliance	Human Resources		Other important matters		EM: Corporate Services	164	30-Jun-19		HR Manager		
37	Competitive bidding process not followed	MFMA, SCM Regulations of 2005 Section 36(1)(a)	Reasons provided for Deviations are not justifiable.	Non-compliance	SCM	Management agrees with the finding.	Other important matters	Yes	CFO	73	31-Mar-19	Panels of service providers/suppliers will be appointed to reduce deviations.	Manager SCM	In progress	Good - going as planned

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
38	Disclosure of financial interest	<i>Municipal Systems Act (MSA); Section 36(1)(a)</i>	No disclosure of financial interest form for the successful candidate MM's post.	Non-compliance	Human Resources	Management does not agree with the finding. Disclosures are available in a separate file. AG disputes it, as the submitted disclosure was for the CFO and not MM.	Other important matters	EM: Corporate Services	164	30-Jun-19	To ensure full compliance	HR Manager	In progress	Good - going as planned	
39	Appointment process of the Municipal Manager	<i>Municipal Systems Act (MSA); Section 57(1)(3); Regulations on appointments of senior managers GG 37245</i>	The panel consisted of six members, which is more than the maximum five members as prescribed by legislation. No manual scoring sheets by panelists were obtained in the interviews file. The successful/appointed candidate did not possess any required Bachelor Degree or any equivalent in Public Administration, Political or Social Sciences. No evidence has been attached to indicate how the Council concluded that no misconduct existed	Non-compliance	Human Resources	Management exercised adequate human resources management and went a step further to promote transparency on the appointment.	Other important matters	EM: Corporate Services	164	30-Jun-19	Documents cited will be filled in the personnel files provided to AG in future.	HR Manager	Finding resolved.	FINALIZED	
40	Non-compliance with MSA Section 57 A (3)	<i>Municipal Systems Act (MSA); Section 57A (3)</i>	A screening letter dated 29/01/2019 was inspected while the successful candidate accepted/signed the appointment letter on 13/12/2017 which is 46 days before the screening letter results received from CoGTA.	Non-compliance	Human Resources	A request was made to CoGTA on time prior to the appointment and a response was received on the said date, however the appointment was made on the basis of internal screening process conducted by MIE given the delay in response by CoGTA.	Other important matters	EM: Corporate Services	164	30-Jun-19	Notification will be made to CoGTA to indicate that the municipality is continuing with other selection process.				
41	Water and sanitation	<i>Municipal Systems Act (MSA); Section 11(3)(a)</i>	No approved maintenance policy; No approved routine maintenance plan; Delay in completion of key projects; Payments in excess of contract value; Payments made which could not be verified; Retention fees discrepancy; No contract extension.	Non-compliance	Water and sanitation	Management does not agree with no. 1 & 2, but agrees with no. 3	Other important matters	EM: Infrastructure	164	30-Jun-19	Management will ensure that effective project management is exercised in effort to complete Vischkuil Reservoir; The municipality has an Asset management policy as approved by Council; The municipality has a five years infrastructure maintenance plan which was developed in 2016; The municipality has a comprehensive water conservation and water demand management plan.	EM: Infrastructure			

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
42	Roads	<i>Municipal Systems Act (MSA); Section 11(3)(a)</i>	Routine roads maintenance plan not in place; Key projects' slow progress (Obed Nkosi).	Non-compliance	Roads	Management does not agree with the finding, as infrastructure maintenance plan and Asset management policy are in place; SLA duration is 12 months. Progress report compiled monthly.	Other important matters		EM: Infrastructure	164	30-Jun-19	The contractor has submitted a catch-up plan and the municipality will be monitoring progress in line with milestones outlined in the plan and SLA.	EM: Infrastructure		
43	Assets disclosed as disposed without council approval	MFMA section 14(1)	Assets were disclosed as disposals in the 2017/18 financial year without prior approval by Council.	Non-compliance	Assets	Management disagrees with the finding. The municipality has not transferred or disposed of any assets needed to provide the minimum level of basic services during the financial year under review. This finding is not applicable as the municipality has NOT disposed of any assets. The assets were derecognized from the Assets register and not disposed of (sold /transferred)	Other important matters	No	CFO	164	30-Jun-19	None	Manager: Budgets & AFS	Finding resolved.	FINALIZED
44	Contingent liabilities	<i>MFMA Section 62(1)(b); GRAP 1</i>	The register of litigations and disciplinary matters not updated.	Non-compliance	Legal & HR	Management agrees with the finding. However, Council resolutions submitted to AG are for the new financial year. Council resolutions amounting to R69,045,770 will be submitted to AG.	Impact on audit report	No	EM: Corporate Services	164	30-Jun-19	Management will ensure that the documents to be submitted to AG are checked and reviewed before they are submitted for audit purpose.	Managers: Legal & HR	In progress	Good - going as planned
45	Acting Allowance Calculation	<i>Acting Allowance Policy</i>	The Acting allowance for the Executive Manager: Corporate services position for the month of July 2017 differential was not based on the 60% but rather on the 100% of the position.	Non-compliance	HR	Management disagrees with the finding. The decision was made that Mr MJ Khumalo was to be remunerated in accordance with the 2016/17 policy as he was appointed in that position prior to the adoption of the 2017/18 policy. In terms of the 2016/17 policy, an employee acting in the position of the HOD will be remunerated at 100% of the total package.	Administrative matters	No	EM: Corporate Services	164	30-Jun-19	None	Manager: HR	Finding resolved.	FINALIZED
46	Total Annual Packages for Senior managers	<i>MSA of 2000; Upper limits for senior managers Government Gazette No. 41173</i>	The CFO's Total Package exceeded the threshold by R153,937. Total earnings = R1,314,878 whilst the maximum as per Government Gazette on upper limits is R1,160,941.	Non-compliance	HR	The CFO was appointed while the municipality was a category 5 and there has been a cost of living adjustment effected on the package he was appointed on. Furthermore, the package was the most affordable offered as other Senior Managers were on the same package.	Other important matters	No	EM: Corporate Services	164	30-Jun-19	Management to ensure that all remuneration packages should not exceed the recommended maximum.	Manager: HR	Finding resolved.	FINALIZED
47	Fruitless and Wasteful Expenditure	<i>MFMA no. 56 of 2003, Section 32 (4)</i>	Eskom invoices reflected interest charges of R17,828.63 and R67,294.62 on overdue accounts which were not included in the Fruitless and Wasteful Expenditure disclosure in the Annual Financial Statements.	Non-compliance	Finance	Management agrees with the finding and will adjust the AFS	Other important matters	Yes	CFO	164	30-Jun-19	Adjust the AFS and ensures payment of Eskom invoices within 30 days of receipt.	Manager: Expenditure	In progress	Okay - manageable issues

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
48	Acceptance of Acting positions	<i>Acting Allowance Policy</i>	No evidence of written consent was obtained as is required by the Municipality's own internal policy	Non-compliance	HR	Management agrees with the finding. The said employees were informed verbally and they assented to their Acting status prior to letters being issued to them.	Other important matters	No	EM: Corporate Services	164	30-Jun-19	Acceptance letters will be issued to any Acting position and a written consent completed before payment in future.	HR Manager	In progress	Good - going as planned
49	Consultants Internal Capacity	<i>MFMA no. 56 of 2003, Section 62 (1)(b)</i>	The municipality appointed consultants (RCA Advisory) while the skills necessary to perform the projects, duty or study were available within the municipality.	Non-compliance	Finance	Management disagrees with the finding, because the official who was responsible for compiling the Annual Financial Statements (AFS) was not available. Hence the municipality had to outsource consultants to come and help in compiling the AFS. It cannot be therefore be regarded as fruitless and Wasteful.	Other important matters	No	CFO	164	30-Jun-19	The Budget Officer will be trained to compile AFS as a back up and a succession plan for future.	Manager: Budgets & AFS	In progress	Good - going as planned
50	Preferential Points System - Incorrect amounts used for scoring	<i>Preferential Procurement Policy Framework Act no. 5 of 2000</i>	The scoring of 80/20 was not properly calculated. Quotations were received from both VAT vendors and non-VAT vendors. When scoring was done, VAT was excluded from the amounts submitted from the VAT vendors. This is incorrect because the actual financial implication was not used to assess the award. Due to this, the incorrect supplier was awarded (Hapcal Tradings T/A Hapcal Metering Solutions = R126,500).	Non compliance	SCM	Management agrees with the finding.	Administrative matters	No	CFO	164	30-Jun-19	All bids and quotes will be evaluated on the price including VAT, where bids are received from VAT registered and Non- VAT registered service providers.	Manager: SCM	In progress	Good - going as planned
51	Shortlisting of candidates who do not meet the advertised requirements	<i>Recruitment policy</i>	The successful candidates did not meet the advertised requirements, and no evidence of a deviation process were found to be documented. (SM Sibeko, SM Dhlamini, BP Mkhize).	Non compliance	HR	The appointment of an employee is a holistic process where legislative prescripts and policies are considered by the panels making the recommendation of appointments to the Accounting Officer. On the three (3) sampled employees, the appointments were made in line with the Employment Equity Act Section 20 (3) where after through the Workplace Skills Plan, they will be developed to meet the requirements over time.	Other important matters	No	EM: Corporate Services	164	30-Jun-19		HR Manager		
52	Misstated retentions	<i>GRAP 1.17 Presentation of Financial Statements</i>	The retentions listings are not complete. Contractors did not appear on the retention listing whereas there were payments made to the contractors during the financial year.	Non compliance	Finance	Management disagrees with the finding. Magic labour and Wa Roads projects are not complete, retention is only raised when the project is complete.	Other important matters	No	CFO	164	30-Jun-19		Manager: Expenditure		

Control no.	Finding	Requirement	Description	Classification	Area	Management Responses	Impact/Rating	Reported in previous year(s)	Responsible Official(s)	Days Left	Estimated date of completion/correction	Key tasks that need to be performed	Official(s) delegated to	Comments	Status
53	Cash and Cash Equivalent - Certificate of balance does not agree to the 2018 Annual Financial Statements	GRAP 1; MFMA Section 62 (1)(b)	The balance for Investec call account number 140014777500 from confirmations.com does not agree with the amount presented in the Annual Financial Statements (AFS) reflects R9,769,134 and the confirmation certificate reflects R9,877,716.01. There is a difference of R108,582.01	Non compliance	Finance	Management disagrees with the finding. An amount of R108,582.01 was accounted for as accrued interest because as at 30 June 2018, the Municipality did not receive that interest. In addition, the Municipality only received that interest amount on the 02 July 2018.	Other important matters	No	CFO	164	30-Jun-19	None	Manager: Budgets & AFS	Finding resolved.	FINALIZED
54	Write off of Traffic fines	GRAP 1; MFMA Section 62 (1)(b)	The Municipal policy does not make mention of how the impairment of fines is computed. Therefore, a recalculation on impairment amount could not be performed.	Non compliance	Finance	Management disagrees with the finding. Note 1.16 under the Accounting policy indicates that traffic fines are impaired based on the average collection rate of the previous two financial years.	Other important matters	No	CFO	164	30-Jun-19	Adjust APR to address the missatement	Manager: Budgets & AFS	Finding resolved.	FINALIZED
55	New GRAP Standards and Interpretations note not complete	GRAP 1	Note 2 of the New GRAP Standards and Interpretation is incomplete.	Non compliance	Finance	Management agrees with the finding.	Other important matters	No	CFO	164	30-Jun-19	AFS have been adjusted	Manager: Budgets & AFS	Finding resolved.	FINALIZED
56	Risk management plan in place is inadequate	National Treasury Risk Management Framework, Section 8	The Risk Management plan in place did not address some of the risks relating to fraud and cable theft. The plan also did not adequately address the reporting process and issues of ethics were not covered.	Non compliance	Risk management	Management partly agrees with the finding. Strategic risk include the issues of theft, fraud and ethics.	Other important matters	No	ASM: M&E	164	30-Jun-19	The key areas in the framework will be included in the plan.	ASM: M&E	In progress	Good - going as planned
57	Consistency of AFS presentation	GRAP 1.33	There is an inconsistency in the description of the Annual Financial Statements on Unspent conditional Grants for 2017/18 and 2016/17 financial years.	Non compliance	Finance	Management agrees with the finding.	Other important matters	No	CFO	164	30-Jun-19	Adjustment will be made to ensure that the descriptions on the accounts of an unspent conditional grants are consistent.	Manager: Budgets & AFS	In progress	Good - going as planned

REMARKS WITH STATUS QUO

FINALIZED
Bad - unmanageable issues
Okay - manageable issues
Good - going as planned

100% Resolved
 Below 50% Has challenges
 51% - 75% In progress
 76% - 99% On track, to be finalized by the due date.

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percent age Council Meetings Attendance	Percent age Apologies for non-attendance
				%	%
Cllr MNR Nkosi	FT	Speaker of Council	PR	100%	100%
Cllr LF Maloka	FT	Executive Mayor, Mayoral Committee Chair	PR	100%	100%
Cllr TS Moremi	FT	MMC Legal & Corporate Service	PR	100%	100%
Cllr KM Rakitla	FT	MMC Community Services	PR	92%	8%
Cllr T Motsepe	FT	MMC LED & Planning	PR	92%	8%
Cllr TE Ramothibe	FT	MMC Finance	Ward	85%	15%
Cllr M Motsepe	FT	MMC Infrastructure	Ward	78%	22%
Cllr MP Mtshonyane	PT	Section 80: Legal & Corporate/Infrastructure	Ward	92%	8%
Cllr PR Mchunu	PT	Section 80: Community Services	Ward	85%	15%
Cllr E Magazi	PT	Section 80: Legal & Corporate, Infrastructure and Petition (Sec 79)	Ward	100%	100%
Cllr T Gama	PT	Section 80: Finance, Infrastructure, MPAC and Petition (Sec 79)	Ward	92%	8%
Cllr T Mofokeng	PT	Section 80: Community Services, LED & Planning and Petition (Sec 79)	Ward	85%	15%
Cllr Z Twala	PT	Section 80: Finance, Legal & Corporate and MPAC (Sec 79)	Ward	85%	15%
Cllr MA Mulder	PT	Section 80: Finance, Legal & Corporate	Ward	64%	36%
Cllr G Holtzhausen	PT	Section 80: Finance, LED& Planning and MPAC (Sec 79)	Ward	78%	22%
Cllr S Paul	PT	Section 80: Legal & Corporate and MPAC (Sec 79)	Ward	78%	22%
Cllr S Mnyakeni	PT	MPAC Chairperson (Sec 79)	Ward	100%	100%
Cllr M Lukhele	PT	Petition Committee Chairperson (Sec 79)	Ward	100%	100%
Cllr B Mogorosi	PT	Section 80: Infrastructure, LED & Planning and Petition (Sec 79)	PR	71%	29%
Cllr RS Hlatshwayo	PT	Section 80: Infrastructure, LED & Planning	PR	42%	58%
Cllr Z Abdullah	PT	Section 80: Finance and MPAC (Sec 79)	PR	50%	50%
Cllr M Boshoff	PT	Section 80: All, MPAC and Petition (Sec 79)	PR	92%	8%
Cllr M Malefela	PT	Section 80: Legal & Corporate	PR	98%	8%
Cllr LS Gamede	PT	Section 80: LED & Planning and Finance	PR	57%	43%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percent age Council Meetings Attendance	Percent age Apologies for non-attendance
				%	%
Cllr T Nyembe	PT	Section 80: Community Services and Petition (Sec 79)	PR	92%	8%
Cllr M Sabasaba (Ml Khithika)	PT	Section 80: Finance and MPAC (Sec 79)	PR	75%/80%	25%/20%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	Financial issues, Council Budget
Economic LED and Planning	Town Planning Promotion Local Economic Development
Infrastructure Committee	Service delivery Maintenance of Infrastructure
Community Service	Community Development Safety and Security Recreational issues Libraries, Sports promotion
MPAC	Oversight of Council Funds
Audit and Performance and Risk Committee	Audit, Performance Risk management of Council

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure		
Directorate	Title	Director/Manager (State title and name)
Municipal Manager	Municipal Manager	Mr. Paul Mpele
	Senior Manager Monitoring & Reporting (Acting)	Mr. Andrew Machitje
	Manager: Internal Audit	Mr. Lizo Ndabeni
Executive Mayor	Executive Mayor	Cllr Lerato Maloka
	Manager: Special Programmes	Ms. Julia Melato
Council	Speaker of Council	Cllr. Mluleki Nkosi
	Manager: Public Participation	Mr. Judah Mbele
Corporate Services	Executive Manager Corporate Services	Adv. Gugu Thimane
	CITO (Contract)	Mr. Sydney Zwane
	Human Resource Manager(Contract)	Mr. Mava Belle
	Manager Facilities and Maintenance	Mr. Jankie Khumalo
	Manager Administration Support	Mr. Sipho Zwane
Finance	CFO (Acting)	Ms. Sindiswa Boyi
	Manager Expenditure	Ms. Magda Lawrenson
	Manager SCM	Mr. Paul Malgas
	Manager Asset and Insurance	Vacant
	Manager Management Accounting	Ms. Gugu Mncube
	Manager Revenue	Ms. Sindiswa Boyi
Infrastructure Services	Executive Manager Infrastructure Services	Mr. Isaac Rampedi
	Senior Manager Roads, Stormwater and Public Service	Vacant
	Senior Manager Water, Sanitation and Water Management	Mr. Star Moholobela
	Senior Manager Electrical	Ms. Jacqueline Mbebwe
	Manager: Projects	Mr. Peter Aufmkolk
	Manager: PMU (Acting)	Mr. Motlalepule Sekhoto
LED & Planning	Executive Manager LED & Planning	Mr. Jabu Marwa
	Manager Local Economic Development	Mr. Thami Gorati
	Assistant Manager IDP & Planning	Mr. Andrew Machitje
	Manager Regional & Town Planning	Mr. Tshepo Malekane
Community Services	Executive Manager Community Services	Ms. Cynthia Mokoena

Third Tier Structure		
Directorate	Title	Director/Manager (State title and name)
	Manager Health & Social Services	Mr. Corrie Verster
	Manager Traffic & Public Safety	Mr. Meshack Makhubu
	Manager Facilities & Amenities	Mr. Solly Sibaya

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Municipal / Entity Functions	
	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	n/a
Building regulations	Yes	n/a
Child care facilities	Yes	n/a
Electricity and gas reticulation	Yes	n/a
Firefighting services	Yes	n/a
Local tourism	Yes	n/a
Municipal airports	No	n/a
Municipal planning	Yes	n/a
Municipal health services	Yes	n/a
Municipal public transport	Yes	n/a
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	n/a
Stormwater management systems in built-up areas	Yes	n/a
Trading regulations	Yes	n/a
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	n/a
Beaches and amusement facilities	No	n/a
Billboards and the display of advertisements in public places	No	n/a
Cemeteries, funeral parlours and crematoria	Yes	n/a
Cleansing	Yes	n/a
Control of public nuisances	Yes	n/a
Control of undertakings that sell liquor to the public	Yes	n/a
Facilities for the accommodation, care and burial of animals	Yes	n/a

MUNICIPAL FUNCTIONS	Municipal / Entity Functions	
	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Fencing and fences	Yes	n/a
Licensing of dogs	No	n/a
Licensing and control of undertakings that sell food to the public	Yes	n/a
Local amenities	Yes	n/a
Local sport facilities	Yes	n/a
Markets	Yes	n/a
Municipal abattoirs	No	n/a
Municipal parks and recreation	Yes	n/a
Municipal roads	Yes	n/a
Noise pollution	No	n/a
Pounds	No	n/a
Public places	Yes	n/a
Refuse removal, refuse dumps and solid waste disposal	Yes	n/a
Street trading	Yes	n/a
Street lighting	Yes	n/a
Traffic and parking	Yes	n/a

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name/Number	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	Cllr M Mtshonyane. Ward Committee members: H. Nyawuza, J. Mnguni, N. Radebe, B. Sobopho, P. Magazi, E. Molefe, T. Mazibuko, T. Ndlovu, V. Mashinini and T. Hlophe	Yes	3	3	5
Ward 2	Cllr PR Mchunu. Ward Committee members: P. Mabena, L. Mbele, G. Mokoena, P. Tsotetsi, L. Nhlapho, V. Dhlamini, M. Tsholanku, T. Mlaba, J. Lekala, M. Sebiloane	Yes	1		5
Ward 3	Cllr TE Ramothibe. Ward Committee members: N. Mahlangu, B. Nkosi, L. Hlahane, S. Mnguni, L. Mashinini, E. Mbele, D. Mthembu, S. Mazibuko, E. Tsoari, T. Makgale	Yes	3	5	4
Ward 4	Cllr E Magazi. Ward Committee members: F. Dibate, B. Mahlangu, I. Ketsekile, S. Motloaka, M. Molefe, M. Manave, N. Motespe, T. Nhlanhla, M. Motloung, S. Malakoane.	Yes	1		3

Functionality of Ward Committees					
Ward Name/Number	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 5	Cllr T. Gama. Ward Committee members: S. Mthethwa, L. Nkabinde, M. Nkoko, B. Nkomo, T. M.Makhanya, T. Mofokeng, E. Masilela, J. Mbhele, N. Moloi, J. Nhlapho	Yes	3		4
Ward 6	Cllr T Mofokeng, Ward Committee members: V. Sukazi, S. Gxubane, J. Tsotetsi, F. Shabangu, S. Maarman, N. Mohapi, M. Maleke, M. Morontshi, P. Mashinini, D. Mathabela.	Yes	5	3	5
Ward 7	Cllr Z Twala. Ward Committee members: A. Majola, G. Mfene, J. Lushaba, S. Motaung, T. Mazibuko, P. Zulu, N. Cindi, D. Sentoeli, A. Thango, T. Khumalo	Yes	1		4
Ward 8	Cllr M. Mulder. Ward Committee members: N. Tsotetsi, S. Kubheka, T. Ndaba, P. Cloete, J. Coetzee, M. Carver, P. Mfene, B. Thenjekwayo, G. Yusuf, N. Dube.	Yes	4	4	3
Ward 9	Cllr G. Holtzhause. Ward Committee members: J. Britt, R. Du Plooy, H. Brits, S. Lemon, W. Venter, E. Du Plessis, W. Boshoff, L. Barnard, M. van Neirop, S. Mchunu.	Yes			2

Functionality of Ward Committees					
Ward Name/Number	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 10	Cllr S. Paul. Ward Committee members: T. Ndlangisa, D. Masombuka, R. Gwayisa, E. Macala, N. Mbatha, P. Nkosi, G. Masoga, J. van Rensburg, C. Erusmus, J. Lottering.	Yes	8		1
Ward 11	Cllr M. Motsepe. Ward Committee members: T. Kubheka, T. Mbele, H. Olifant, C. Motaung, S. Manana, M. Tshabalala, M. Kekana, A. Radebe, D. Tshabangu	Yes	6	3	4
Ward 12	Cllr S. Mnyakeni. Ward Committee members: Q. Mkhonto, P. Nhlapho, S. Nkosi, C. Mkhonza, P. Mngwevu, C. Mbonani, M. Mkhonza, J. Mngwevu. D. Mlangeni.	Yes	8	1	4
Ward 13	Cllr M. Lukhele. Ward Committee members: B. Madala, J. Mnguni, B. Motaung, S. Zondo, F. Mobe, T. Mphafudi, B. Makanku, M. Mbonani, P. Nkosi	Yes	8	3	4

**APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
YEAR 0**



**ANNUAL REPORT OF THE AUDIT COMMITTEE (AC) FOR LESEDI LOCAL
MUNICIPALITY FOR 2017/18 FY
TO BE PRESENTED IN**

**THE ORDINARY COUNCIL MEETING DATED THE IN THE COUNCIL CHAMBER AT
24 JANUARY 2019**

SEDIBENG DISTRICT SHARED SERVICES AUDIT COMMITTEE MEMBERS:

Mr. Nkululeko Swana - Chairperson

Mr. Sidwell Mofokeng – Deputy Chairperson

Messrs. Thebi Moja

Mr. B Kgomo (resigned on 01/08/2018)

Messrs. Hazel Masedi (resigned on (09/11/2018)

EX-AC MEMBERS WHO'S TERM EXPIRED ON THE 31 DECEMBER 2017 LISTED BELOW:

Adv. MM Mochatsi - Chairperson

Mr. S Mofokeng

Mr. MG Dhladhla

Mr. F Makaula (Resigned in July 2017)

1. INTRODUCTION

The Chairperson of the Audit Committee (AC) has the pleasure in submitting to the Council an annual Audit Committee Report being responsibilities of the Audit Committee regarding items received from Management for the year ended 30 June 2018.

- To provide an independent opinion about the internal audit function within the municipality;
- To provide an independent opinion about the risk management, governance and internal controls within the municipality.

2. THE LEGAL FRAMEWORK GOVERNING THE AUDIT COMMITTEE

- a. In terms of Section 166(1) of the Local Government: Municipal Finance Management Act number 56 of 2003, MFMA requires each municipality to have an Audit Committee.
- b. Reading with Act number 108 of 1996 (The Constitution of the Republic of South Africa, 1996), Chapter 13 (Finance), the Chairperson of the Audit Committee as regulated is required to provide Council a report containing all related activities the Audit

Committee has attended with recommendations advising Council established in terms of Local Government: Municipal Structures Act, 1998 (Act number 117 of 1998) and the Management as appointed by council in terms of section 56 of the Municipal Systems Act, 2000.

c. It needs mentioning that the Audit Committee remains an INDEPENDENT ADVISORY BODY which MUST at all times advise and perform the following roles and responsibilities of the municipal council:

2A: Advise the Municipal Council, Political Office-Bearers, Accounting Officer and Management of the municipality and its entire staff on matters related to the following:

- internal financial control and internal audits;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance management;
- performance evaluation;
- effective application of governance;
- Full compliance with the annual (Division of Revenue Act) and any other applicable local government legislation and
- Any other issues referred to it by the municipality.

2B: In addition sections 166(2) (b) (c) (d) and (e) requires from the committee to review the financial statements of the council and provide

the council of the municipality with an authoritative and credible view of the FINANCIAL POSITION and PERFORMANCE and COMPLIANCE of the municipality, EFFECIENCY and EFFECTIVENESS and its overall level of compliance with legislations read with the Division of Revenue Act and other related local government legislations:

- responding to Council on all matters raised by the Auditor-General South Africa in the Audit Report,
- Recommending the carrying out of the investigations into the financial affairs of the municipality as the Council may request,
- Performing any of the functions as prescribed or regulated.

2C. in performing its functions, the Audit Committee has the following roles to play:

- Has access to financial records and other relevant information of the municipality,
- Liaise with the internal audit of the municipality and
- Liaise with the person designated by the Auditor General to audit the financial statements of the municipality.

2D. other roles of the Audit Committee include:

- To provide leadership and direction,
- Fulfilling with the oversight responsibility of municipal council,
- Maintaining working relationships with municipal council, management and audit committee members,

3. GOVERNANCE OF THE AUDIT COMMITTEE

The former Audit Committee didn't fulfill its mandate fully up until the end of term of office which expired in December 2017.

The members of the Audit Committee during the period 01st July 2017 and their term of office expired on 31 December 2017 were as follow:

Date	Adv. M M Mochatsi	Mr. MG Dhladhla	Mr. SL Mofokeng	Mr. F Makaula
13/11/2017	Present	Present	Present	Resigned in July 2017
27/11/2017	Present	Present	Present	

Following the Council resolution of the 29 March 2018 of requesting Sedibeng District Municipality to utilize its Audit Committee on a shared services basis, SDM AC shared services managed to review the records of the municipality at the end of the 2017/18 financial year prior for submission to AGSA.

The SDM Audit Committee shared services convened four ordinary special audit committee meetings with management, AGSA and oversight bodies reviewing the 2017/18 financial year audit work on the dates listed below:

Date	Mr. N Swana	Mr. S Mofokeng	Mr. B Kgomo	Mrs. T Moja	Mrs. H Masedi
29/05/2018	Absent	Present	Present	Absent	Present
30/08/2018	Absent	Present	Resigned (01/08/2018)	Present	Absent
11/10/ 2018	Present	Present		Present	Absent
29/11/2018	Present	Present		Present	Resigned 09/11/2018

4. INTERNAL CONTROL AND INTERNAL AUDITS

The system of internal control was not fully effective and efficient with regards to the Audit Committee and Internal Audit for at the municipality for the year under review. Audit Committee shared services has taken notes of internal control deficiencies and recommendation made to

management. Audit Committee advise management to speedily acquire the new Internal Audit co-sourced partners in order to review the municipalities activities which will assist management and the Auditor-General to follow-up on the matters addressed by AGSA during 2018/19 financial year.

5. RISK MANAGEMENT

A strategic risk assessments for 2017/18 financial year was conducted and presented to the Audit Committee on 13th November 2017. However, management didn't monitor it up until the end of the 2017/18 financial year. The Audit Committee is advising management to improve on monitoring the implementation of risk action plans in 2018/19 financial year.

6. ACCOUNTING POLICIES

Accounting Policies were part of the Annual Financial Statements (AFS). The AFS were reviewed by the Auditor General of SA from August 2018 up until November 2018.

7. PERFORMANCE MANAGEMENT

The Audit Committee take notes of the audit findings and recommendations made by the Auditor-General on the reported Performance Management Information and Supply Chain Management of the municipality and trust that the recommendations will be implemented adequately during the 2018/19 financial year.

Furthermore, the Audit Committee advise management to immediately address all the material findings through a Management Action Plan

dubbed “Operation Clean Audit”, report quarterly to the Audit Committee and to the Municipal Council.

8. EFFECTIVE GOVERNANCE

The MFMA imposes a number of responsibilities on the Accounting Officer concerning financial, risk management and internal control. Essential to achieving this is the implementation of certain key governance responsibilities.

The following key governance responsibilities of the Municipality were functional:

- Municipal Public Accounts Committee;
- Mayoral Committee;
- Council
- Executive Committee;
- Section 80 Committees;
- Audit Committee and
- Internal Audit.

9. COMPLIANCE WITH THE ACTS, THE ANNUAL DIVISION OF REVENUE ACT AND ANY OTHER APPLICABLE LEGISLATION

The Audit Committee take note of the audit findings on material non-compliance with specific matters in key legislation and advise management to implement the recommendations made by the Auditor-General in the 2018/19 financial year adequately.

10. PERFORMANCE EVALUATION

The performance evaluation of the Section 56/57 Managers reporting directly to the Municipal Manager for the reporting period ended 30 June 2018 was conducted but not completed. The Audit Committee advice management to immediately address all performance evaluations challenges during 2018/19 financial year.

11. ANY OTHER ISSUE(S) REFERRED TO THE AUDIT COMMITTEE BY THE MUNICIPALITY

None.

12. REVIEW OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee reviewed the Annual Financial Statements and the Adjusted AFS for the year ended 30 June 2018 as presented by management at the Audit Committee meeting held on the 30 August 2018 at the municipality and on the 29 November 2018 at AGSA offices.

The Audit Committee has noted an Unqualified Audit Opinion with audit findings expressed by the Auditor-General in the report on the Annual Financial Statements for 2017/18 FY.

14. THE AUDITOR - GENERAL OF SOUTH AFRICA

The Audit Committee note the conclusions of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2018 and recommends that the audited Annual Financial Statements be approved by the municipal Council.

15. APPRECIATION

The Audit Committee expresses its sincere appreciation to the following:

- i. Municipal Council,
- ii. Speaker,
- iii. Executive Mayor,
- iv. Acting Municipal Manager,
- v. Executive Managers,
- vi. Management,
- vii. The entire municipal staff,
- viii. Auditor-General of South Africa,
- ix. Gauteng Provincial: Treasury,
- x. Gauteng Provincial: COGTA and
- xi. Internal Audit co-sourced partners for their support and co-operation to the Audit Committee members during the year under review.

Date: _____

Mr. Nkululeko Swana

Chairperson of the shared services Audit Committee

APPENDIX G – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
MICROMEGA REVENUE MANAGEMENT	APPOINTMENT OF METER READER TO PERFORM WATER AND ELECTRICAL METER READING ON BEHALF OF THE MUNICIPALITY	6-Apr-2009	6-Apr-2012	MRS SINDI BOYI	R1 001 932.00 INCL.VAT FOR THE 1ST YEAR AND BE ADJUSTED ANNUALLY IN CPIX
BUSINESS CONNEXION	INFORMATION,COMMUNICATION AND TECHNOLOGY INFRASTRUCTURE	11-May-2009	11-May-2012	MR SYDNEY ZWANE	R 6,105,828.60
BUSINESS CONNEXION	INFORMATION,COMMUNICATION AND TECHNOLOGY INFRASTRUCTURE	11-May-2009	11-May-2012	MR SYDNEY ZWANE	R 211,919.89
SHANDUKANI TECHNOLOGIES	WEBSITE MAINTENACE	1-Nov-2011	11-Jan-2014	MR SYDNEY ZWANE	R 90,000.00
WEBB INDUSTRIES	POINT TO POINT LINK SYSTEM	1-Nov-2002	1-Nov-2007	MR SYDNEY ZWANE	R 196,704.00
DBSA	RATANDA ELECTRICITY SUPPLY	30-Jun-2006	30-Jun-2021	MRS SINDI BOYI	5,000,000.00
DBSA	LONG TERM LOAN	16-Jan-2010	16-Jan-2030	MRS SINDI BOYI	9,000,000.00
DBSA	LONG TERM LOAN	16-Jan-2010	16-Jan-2022	MRS SINDI BOYI	4,000,000.00
DBSA	LONG TERM LOAN		18-Jan-2028		35,000,000.00 PLUS INTEREST
DBSA	LONG TERM LOAN	18-Jan-2008	1-Jul-2030	MRS SINDI BOYI	R7,807,015.00
DBSA	LONG TERM LOAN	1-Jul-2010	1-Jul-2030	MRS SINDI BOYI	R16,000,000.00
DBSA	LONG TERM LOAN	1-Jul-2010	1-Jul-2022	MRS SINDI BOYI	R5,171,700.00
SWANDRE ELECTRICAL	GENERAL MAINTENANCE OF ELECTRICAL INFRASTRUCTURE IN IMPUMELELO, KWAZENZELE AND MUNICIPAL BUILDING IN THE AREA	1-Sep-2011	1-Sep-2014	MRS JACQUELINE CHAUKE	R1915.00 FOR ALL SERVICES AS INDICATED IN THE QUANTITY LIST
ABSA BANK	BANKING SERVICES	13-Jul-2013	30-Jun-2018	MRS MAGDA LAWRENSON	R2,236,800.00
QUIDITY CC	RECORDS MANAGEMENT AND CONTROL OF RECORDS	31-Mar-2010	31-Mar-2013	MRS DUDU TSHABALALA	R4276.11 INCL.VAT FOR THE 1ST YEAR AND BE ADJUSTED ANNUALLY IN CPIX

ENDIPHASE	RE-CONNECTION AND CONNECTION OF ELECTRICAL METERS		1-Jun-2016		BASED ON THE AMOUNT STATED ON THE TENDER DOCUMENT
		1-Jun-2013		MRS SINDI BOYI	
SCHINDLER LIFTS (SA) (PTY) LTD	REPAIR AND MAINTANANCE OF LIFTS IN LESEDI LM	1-Nov-03	1-Nov-08	MR. JANKIE KHUMALO	R2 104.00 SUBJECT TO ANNUAL ESCALATION
FOCUS FORM	PREPARATION AND PRINTING OF STATEMENTS	6-Sep-12	5-May-15	MRS SINDI BOYI	BASED ON THE AMOUNT STATED ON THE TENDER DOCUMENT
The municipality does not have Public Private Partnership					T H.1

APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr Lerato Maloka	
Member of MayCo / Exco	Cllr T Ramothibe	
	Cllr M Motseppe	a)-j)N/A
	Cllr T Motseppe	a)-j)N/A
	Cllr T Moremi	
	Cllr K Rakitla	a)-j)N/A
Councillor	LS Gamede	a)-b)N/A
	PR Mchunu	a)-d) N/A e)Zmatororo Car Wash f)-j) N/A
	MVM Malefela	N/A
	ME Magazi	N/A
	TJ Gama	a)No b)No c)No d)No e)Gamzeni Enterprise PTY f)Taxi Owner g)No h)No i)No j)No
	TP Nyembe	a)-j)N/A
	NT Mofokeng	a)No b)No c)Tokolohong CPA d)No e)No f)No g)No h)No i)MGF j)No
	MI Khithika	a)Yes,Khithika Projects & Investments b)No c)No d)Yes,Khithika Projects & Investments e)No f)No g)Yes,workinf at Eskom
	BV Mogorose	a)-j)N/A
	MK Rakitla	a)-j)N/A
	T Motseppe	a)-b)N/A
	SHAC Paul	a)-h)No i)Salam,Old Mutual j)No
	MV Motseppe	a)-j)N/A
	SJ Mnyakeni	a)-c) e)Inkandla Smith Trading PTY (LTD)

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
	ZS Twala	a)-d)No f)Manyamande Catering & Cleaning
	MS Lukhele	a)No b)Vukasizwe Brick making c)-j)No
	AZ Abdullah	a)-j)N/A
	JM Sabasaba	a)-j)No
Municipal Manager	Isaac Rampedi	
Chief Financial Officer	Paul Mpele	a)Yes b)-f)No g)Yes h)1 i)Yes j)No
Deputy MM and (Executive) Directors	Jankie Khumalo	a)Mareka Helping Hand b)Mareka Helping Hand c)None d)Mareka Helping Hand e)None f)None g)None h)None i)MGF j)None
	Jabu Marwa	a)Sasol Inzalo Shares(20*12) Vodacom Yona Yethu(100*12) b)Mdladla & Aluta Business Development c)N/A d)Same as b above e)-g)N/A h)Own House:Standard Bank i)MGF AID j)N/A
	Cynthia Mokoena	a)-j)None

APPENDIX I – REVENUE COLLECTION PERFORMANCE BY VOTE

0	Revenue Collection Performance by Vote						R' 000	
	Year -1	Current: Year 0			Year 0 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget		
Vote 1 - Municipal Governance and Administration	202,282	222,763	225,283	225,283	1%	0%		
Vote 2 - Community and Public Safety	66,148	69,620	69,983	24,058	-189%	-191%		
Vote 3 - Economic and Environmental Services	22,484	42,059	38,289	84,214	50%	55%		
Vote 4 - Trading Services	459,617	492,196	498,963	498,963	1%	0%		
Total Revenue by Vote	751	827	833	833	(0)	(0)		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3							TK.1	

Revenue Collection Performance by Source						
Description	Year -1		Year 0		Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	Property rates	96,106	104,446	104,713	106,473	2% 2%
Property rates - penalties & collection charges	—	—	—	—	0% 0%	
Service Charges - electricity revenue	282,078	291,261	295,056	273,423	-7% -8%	
Service Charges - water revenue	102,569	104,598	101,325	97,320	-7% -4%	
Service Charges - sanitation revenue	25,508	26,643	26,003	25,047	-6% -4%	
Service Charges - refuse revenue	31,279	30,370	30,352	27,420	-11% -11%	
Service Charges - other	1,205	1,358	—	1,178	-15% 100%	
Rentals of facilities and equipment	4,717	4,842	4,799	5,221	7% 8%	
Interest earned - external investments	2,309	1,250	2,065	4,488	72% 54%	
Interest earned - outstanding debtors	12,869	10,716	17,669	21,554	50% 18%	
Dividends received	—	—	—	—	0% 0%	
Fines	39,469	45,902	45,920	49,862	8% 8%	
Licences and permits	65	60	25	42	-43% 41%	
Agency services	—	—	—	—	0% 0%	
Transfers recognised - operational	106,612	121,014	119,799	117,923	-3% -2%	
Other revenue	5,477	1,216	2,799	35,587	97% 92%	
Gains on disposal of PPE	—	—	—	—	0% 0%	
Environmental Protection	—	—	—	—	0% 0%	
Total Revenue (excluding capital transfers and contributions)	710,264	743,674	750,524	765,538	2.86% 1.96%	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						TK.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Equitable share	104923	104923	104923	0%	0%	
Finance Management Grant	1550	1550	1550	0%	0%	
Expanded Public Works Program Integrated Grant	1324	1324	1324	0%	0%	
Libraries plan	3300	3300	3300	0%	0%	
Expanded Public Works Program (Cogta)	500	500	500	0%	0%	
Department of Public Services and Administration	3825	3825	2525	-51%	51%	
Grap 17 Compliance	500	500	500	0%	0%	
Integrated National Electrification Grant	5000	7800	5875	15%	33%	
Energy Efficiency and Demand Side Management Grant	6000	6000	6000	0%	0%	
Water Services Infrastructure Grant	20000	20000	12683	-58%	58%	
Recapitalization of Community Libraries Grant	8484	8484	5911	-44%	44%	
Total						

* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.

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APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	51,607	61,407	44,534	–	–	–
Infrastructure: Road transport - Total	–	10,497	20,275	17,996	–	–	–
Roads, Pavements & Bridges		10,496,800.00	12,000,000	10,789,246			
Storm water		0	8,274,673	7,206,601			
Infrastructure: Electricity - Total	–	13,850	17,066	11,670	–	–	–
Generation							
Transmission & Reticulation		1,800,000	1,800,000	1,277,460			
Street Lighting		12,050,000	15,265,974	10,392,161			
Infrastructure: Water - Total	–	16,000	23,522	14,471	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation		16,000,000	23,522,082	14,470,741			
Infrastructure: Sanitation - Total	–	11,260	544	397	–	–	–
Reticulation		11,260,200	544,271	397,340			
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–

Waste Management							
Transportation							
Gas							
Other							
Community - Total	–	19,338		20,382	11,288	–	–
Parks & gardens							
Sportsfields & stadia		15,108,000	15,108,000	10,031,067			
Swimming pools							
Community halls							
Libraries		3,160,000	4,304,000	1,032,633			
Recreational facilities							
Fire, safety & emergency		100,000		79,754			
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries		910,000	910,000				
Social rental housing							
Other		60,000	60,000	144,997			
Table continued next page							
Table continued from previous page							
Capital Expenditure - New Assets Programme*							
R '000							
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actua l	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	F Y	FY + 3

						+	
						2	
Capital expenditure by Asset Class							
Heritage assets - Total	–	–		54	–	–	–
Buildings							
Other				54,000			
Investment properties - Total	–	–	2,460	–	–	–	–
Housing development							
Other			2,460,000				
Other assets	–	4,046	6,246	4,219	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment		400,000	866,000	409,203			
Computers - hardware/equipment		2,080,000	2,380,000	984,442			
Furniture and other office equipment		366,000		1,699,565			
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		1,200,000	3,000,000	1,026,832			
Other Land							
Surplus Assets - (Investment or Inventory)							
Other				98,470			
Agricultural assets	–	–	–	–	–	–	–
List sub-class							

Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	928	928	127	-	-	-
Computers - software & programming		927,925	927,925	126,997			
Other (list sub-class)							
Total Capital Expenditure on new assets	-	75,919	91,423	60,222	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1
Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	F Y + 2	F Y + 3

Capital expenditure by Asset Class							
Infrastructure - Total	-	17,000			-	-	-
Infrastructure: Road transport - Total	-	5,000			-	-	-
Roads, Pavements & Bridges		5,000,000					
Storm water							
Infrastructure: Electricity - Total	-	-			-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	-	12,000			-	-	-
Dams & Reservoirs		4,000,000					
Water purification							
Reticulation		8,000,000					
Infrastructure: Sanitation - Total	-	-			-	-	-
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	-	-			-	-	-
Waste Management							
Transportation							
Gas							
Other							
Community	-	2,644			-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							

Community halls							
		844,000					
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other		1,800,000					
Heritage assets	-	-			-	-	-
Buildings							
Other							
Table continued next page							
Table continued from previous page							
Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year - 1	Year 0			Planned Capital expenditure		
	Actua l	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	F Y + 2	F Y + 3
Capital expenditure by Asset Class							
Investment properties	-	-			-	-	-
Housing development							
Other							

Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets	-	-		-	-	-	-
List sub-class							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							

Total Capital Expenditure on renewal of existing assets	-	19,644		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)						T M.2	

APPENDIX P: SERVICE BACKLOGS: SCHOOLS AND CLINICS

There are no service connection backlogs in schools and clinics around Lesedi LM.

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
N/A				
Clinics (NAMES, LOCATIONS)				
N/A				
<i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i>				TP

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
Not applicable as the municipality did not make any loans or grants to any entity				
* <i>Loans/Grants - whether in cash or in kind</i>				TR

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